



NEW APPLICATION

ORIGINAL



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AZ CORP COMMISSION  
DOCKET CONTROL

**RATE APPLICATION  
FOR WATER COMPANIES  
WITH ANNUAL GROSS OPERATING REVENUES  
(INCLUDING REQUESTED RATE RELIEF)  
OF LESS THAN \$250,000  
PER ARIZONA ADMINISTRATIVE CODE R14-2-103  
Details at website: [www.azcc.gov](http://www.azcc.gov)**

Arizona Corporation Commission  
**DOCKETED**

MAR 21 2008

DOCKETED BY

Utility Systems, LLC OBA Gardner water  
UTILITY NAME

W-20459A-08-0167

December 31, 2007  
TEST YEAR ENDED

**Required invoices to be submitted are listed in the checklist on page 1.**

You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application please call (602) 542-4251 for Staff assistance or see our website at:  
[www.azcc.gov](http://www.azcc.gov)

IN ORDER TO PROCESS YOUR APPLICATION  
PLEASE FORWARD THE ORIGINAL  
AND THIRTEEN COPIES OF THE  
**APPLICATION PLUS**  
THREE PACKETS WITH COPIES OF  
CHECKLIST ITEMS 5-11 (PAGE 1)  
  
ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL CENTER  
1200 WEST WASHINGTON STREET  
PHOENIX, ARIZONA 85007

## WATER RATE APPLICATION CHECKLIST

Please use the following checklist to ensure that all necessary attachments are included in the application. Provide an explanation for any omitted item. Please include **13 copies** of this application in your application submission. Also, please include **three packets** with copies of checklist items 5-11.

### ORIGINAL APPLICATION PACKAGE ITEMS

1. The Arizona Department of Environmental Quality ("ADEQ") compliance status report (use the Maricopa County request if in Maricopa County). Use the appropriate request form in the appendix at the end of this application to obtain the status report. A separate form should be used for each public water system, as defined by ADEQ, which is part of this application.
2. The Arizona Department of Revenue ("ADOR") certificate of compliance letter of good standing. The form is available online at <http://www.revenue.state.az.us/>
3. The utility's most recent ADEQ annual sampling fee invoice for its Monitoring Assistance Program.
4. Invoices for each plant asset purchase in excess of \$150 for the Test Year, as well as all of the intervening years since the utility's prior Test Year as itemized on page 12.

**Please provide 3 packets with copies of the following information to support entries on the Income Statement on page 19:**

5. A breakdown by name, position, salary, and duties for the Salaries and Wages expense. (Acct. 601)
6. Invoices for Purchased Water during the Test Year. (Acct. 610)
7. Invoices for Purchased Power during the Test Year. (Acct. 615)
8. Invoices for Repairs and Maintenance in excess of \$150 incurred during the Test Year. (Acct. 620)
9. Invoices for Outside Services in excess of \$150 incurred during the Test Year. (Acct. 630)
10. Invoices for Water Testing during the Test Year (Acct. 635)
11. Statements from the county for Property Tax expenses incurred during the Test Year. (Acct. 408.11)

## GENERAL INSTRUCTIONS

Processing the request for a rate adjustment requires completion of ALL PARTS of this application. Complete the Narrative Description of the Application for Rate Adjustment on pages 2 and 4, as well as the statements on pages 5 and 6. Read the accompanying instructions and fill in the entries on pages 8 through 31. Dollar amounts should be rounded to the nearest dollar. **NO ENTRY SHOULD BE LEFT BLANK.** If an amount is zero, enter a zero. **Any application that is found to be insufficient will not be processed until the deficiencies are corrected per A.A.C. R14-2-103.B.7.**

A completed application also **requires** notification of customers of the rate request. The format of the customer notification letter is provided on page 32 of this application. Use the language and form of this letter in notifying customers. The customer notification **must** be provided to customers on the same date as the rate application is filed. A copy of this notice, together with a **notarized** cover letter stating the method of customer notification and the date the notification was sent to the customers, **must** accompany the application form.

Please provide any supplementary information the Company believes will assist in the evaluation of the rate request. For example, if expense items are substantially different from the latest annual report filed with the Commission, or if significant plant additions have been made since the prior rate increase, attach supporting explanations for those changes to the application. Clearly label any attachments and staple them to the application.

Selection of a Test Year for the utility is an important part of the application. A Test Year older than the year reflected in the most current Annual Report filed with the Utilities Division is usually considered outdated. Questions regarding the selection of a Test Year should be addressed to Staff at (602) 542-4251.

Please contact the Arizona Department of Environmental Quality (and/or its authorized county agencies) and request a compliance status report. Submit a copy of this report as part of this filing. Please refer to the appendix of this application form.

Please contact the Arizona Department of Revenue and request a certificate of compliance letter of good standing regarding taxes. Submit a copy of this compliance certificate.

After you have included all the required items from the checklist on the previous page, please submit the **original and thirteen copies** of the completed application with a cover sheet to:

Arizona Corporation Commission  
Docket Control Center  
1200 West Washington Street  
Phoenix, Arizona 85007

Also, please include **three packets** with copies of checklist items 5-11 in your application filing.

## NARRATIVE DESCRIPTION OF APPLICATION FOR RATE ADJUSTMENT

### Instructions:

Please provide the reasons for your requested rate adjustment by checking the appropriate box(es) below. If desired, the Company may also attach a written narrative regarding its reasons for the requested rate adjustment. Your narrative may also include efforts made by the utility to control costs/expenses and/or mitigate the amount of rate adjustment.



Changes in current, compared to past operations, that necessitate the rate adjustment

Please explain:

\*Please see narrative



Descriptions and/or calculations of adjustments made to amounts that are included in this application that are different than amounts recorded in your books/ledgers (pro forma adjustments)

Please explain:



Significant factors influencing your revenues, expenses and/or rate base

Please explain:

\*Please see narrative



Anticipated growth/decline in customers expected in the next two years, the amount of anticipated construction to serve those customers, and how financed; the type of customers served by the utility, e.g. residential, irrigation, small retail businesses, large commercial, etc.

Please explain:



Anticipated construction

Please explain:

\*Please see narrative

Efforts made to encourage conservation of water through the proposed rate design or through other means.

Please explain:

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Other factors

Please explain:

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***Attach additional pages as necessary.***

COMPANY NAME: <u>Utility Systems, LLC</u>	Test Year Ended: <u>Dec. 31, 2007</u>
Name of System: <u>Gardner Water</u>	ADEQ Public Water System Number: <u>04-038</u>

**AFFILIATE RELATIONSHIP**

Please indicate a **yes** or **no** answer to the questions below and provide an explanation where necessary.

A parent-subsidary relationship, or affiliation, with another entity includes Corporations, Partnerships, Sole Proprietorship, Limited Liability Companies (LLCs), as well as common ownership of a water company and another entity, such as a development company or wastewater company.

Are any assets owned jointly with any affiliated or subsidiary entities?

YES       NO

If Yes, please provide a description of each jointly owned asset, it's cost, and the percentage of the asset owned by the utility. (Please note the amounts reported on pages 12 and 15 should only include the percentage of plant owned by the utility.)

2006 Dodge truck, \$41,029.54, 50% owned by Gardner  
Office Desk and misc supplies, \$162.00, 50% owned by Gardner  
Computer, \$1,000.00, 50% owned by Gardner  
Laptop Computer, \$500.00, 50% owned by Gardner

Were any of the assets constructed or acquired from an affiliated or subsidiary entity?

YES       NO

If Yes, please identify the affiliated entity, the relationship with the utility, and a detailed listing of all transactions reflected in the Plant accounts. Also include detail for other balance sheet accounts, such as Advances, Contributions in Aid of Construction, inter-company payables and receivables, as well as affiliated revenues and expenses from the Company's Income Statement.

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**STATEMENTS IN SUPPORT OF RATE REQUEST**

Complete the following statements in support of your rate request.

Utility Systems, LLC, DBA Gardner<sup>rev</sup> (the "Company") requests an adjustment in the existing rates charged by the Company. The information contained in this application is based upon a twelve-month Test Year ending Dec 31, 2007 (mm/dd/yy). The Company had total operating revenues of \$ 30,027.92, served 93 metered and 0 un-metered customers, and sold 1,692,700 gallons of water during the Test Year.

The Company is requesting a(n) increase/decrease in revenues in the amount of \$ 19,380.00. Total annual operating revenues, if the Company is granted the rate adjustment, will be \$ 49,407.92.

- The Company is current on all property taxes.  YES  NO
- The Company is current on all sales taxes.  YES  NO
- The Company currently has a Curtailment Plan Tariff on file with the Commission  YES  NO
- The Company currently has a Backflow Prevention Tariff on file with the Commission.  YES  NO

The Company notified its customers o

f its application for a rate adjustment on March 31, 2008 (mm/dd/yy). **A COPY OF THE NOTICE WITH A NOTARIZED COVER LETTER STATING THE METHOD OF CUSTOMER NOTIFICATION, AS WELL AS THE DATE OF THE NOTIFICATION, MUST BE ATTACHED. (See page 32)**

By completing this application in support of the Company's request for a rate adjustment, the Company realizes that Original Cost Less Depreciation ("OCLD") plant information will be used to determine the fair value rate base, i.e., the Company waives the right to Reconstruction Cost New.

The utility company ownership is one of the following:

- Sole Proprietorship
- Partnership
- "C" Corporation
- "S" Corporation
- Limited Liability Company ("LLC")
- Association--Cooperative
- Other, please specify: \_\_\_\_\_

**Note: If a corporation, please list stockholders and the respective number of shares owned below.**

Stockholders	Number of Shares Owned

I have read and completed this application, and to the best of my knowledge all of the information contained herein, and attached to this application, is true and correct.

Name of Authorized Representative (print): <i>Jeffery T. Daniels</i>	Company Name: <i>Utility Systems, LLC DBA Grandner Water</i>
Title: <i>Manager Member</i>	Address: <i>HC 2 Box 164-H</i>
Signature: <i>[Handwritten Signature]</i>	City/ST/Zip: <i>Payson AZ 85541</i>
Date: <i>3/10/08</i>	Phone Number: <i>928-478-0010</i>
E-mail Address: <i>Service@arizonarim.com</i>	Fax Number: <i>928 478-4451</i>
Website Address:	

## CURRENT AND PROPOSED RATES AND CHARGES INSTRUCTIONS

Complete the schedules on pages 8 and 10 showing rates and charges currently in effect, and those proposed by the Company. Specify the customer class or classes (i.e., residential, commercial, industrial, irrigation, all, or other classes) in the space provided.

### MONTHLY CHARGE:

Enter the monthly minimum (or service) charge and gallons included in the minimum for each meter size. For example, enter "\$12.00 for zero gallons." Propose a monthly minimum (or service) charge for every meter size listed on page 9. Also, enter the commodity (or excess) charge for the gallonage the customer will be charged for gallons used over those included in the minimum charge. For example, enter "\$1.25 per 1,000 gallons." If excess charges vary with gallonage used, enter the rates and gallons covered in each tier of consumption in the space provided. For example:

First Tier	Up to 3,000 gallons	\$1.00 per 1,000 gallons
Second Tier	3,001 to 10,000 gallons	\$1.50 per 1,000 gallons
Third Tier	Over 10,000 gallons	\$2.50 per 1,000 gallons

If a flat rate, rather than a metered rate, is currently approved or proposed, enter the monthly rate in the space provided. A "flat rate" is a charge that is not based on gallons used. (For example, \$10.00 for all the water you can use.) If the Company currently has a flat rate and wishes to continue this rate, please contact Staff at (602) 542-4251. It is likely that Staff will **not** recommend the continuation of such a rate.

COMPANY NAME: Utility Systems, LLC. Test Year Ended: Dec. 31, 2007.  
 Name of System: Gardner Water ADEQ Public Water System Number: 04-038

**CURRENT AND PROPOSED RATES AND CHARGES**

CUSTOMER CLASS:  Residential  Commercial  Industrial  
 Irrigation  All  Other, specify \_\_\_\_\_

**CURRENT RATES**

**PROPOSED RATES**

MINIMUM OR SERVICE CHARGES	\$ GALLONS	\$ GALLONS
5/8" x 3/4" Meter	19.95 for $\phi$	33.00 for $\phi$
3/4" Meter	29.95 for $\phi$	43.00 for $\phi$
1" Meter	49.95 for $\phi$	63.00 for $\phi$
1-1/2" Meter	99.98 for $\phi$	113.00 for $\phi$
2" Meter	159.96 for $\phi$	173.00 for $\phi$
3" Meter	299.93 for $\phi$	N/A for N/A
4" Meter	499.98 for $\phi$	N/A for N/A
6" Meter	999.75 for $\phi$	N/A for N/A

GALLONS IN EXCESS OF MINIMUM	
Commodity Charge in Excess of Minimum (Charge Per 1,000 Gallons)	
First Tier	5.00
Second Tier	7.00
Third Tier	N/A
FLAT RATE	

**Current Rates**

**Proposed Rates**

Current Rates		Proposed Rates	
Rate	Gallons	Rate	Gallons
\$ 5.00	Up to 10,000	\$ 10.00	Up to 5,000
\$ N/A	N/A to N/A	\$ 12.00	5,001 to 10,000
\$ 7.00	Over 10,001	\$ 15.00	Over 10,001
\$ N/A	Per Month	\$ N/A	Per Month

**Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.**

## SERVICE CHARGES INSTRUCTIONS

Listed below are current and proposed service charges as appropriate. Commission Rules should be consulted in proposing new service charges. Please list current and proposed rates on Page 10, as well as any service charges not listed below that the Company proposes to charge.

<b>Service Charge (Commission Rule)</b>	<b>Description</b>
Service Line and Meter Installation Charge (R14-2-405.B)	A refundable Advance in Aid of Construction paid by a new customer to cover the cost of installing all customer piping up to the meter, as well as the cost of installing the meter. Propose a charge for every meter size listed on page 10.
Establishment (R14-2-403.D.1)	A charge covering the cost to establish a new account for a person requesting service when the utility needs only to install a meter for initial establishment, reestablishment, or reconnection.
Establishment (After Hours) (R14-2-403.D.2)	A charge covering the cost to establish a new account for a person requesting service during a period other than regular working hours.
Meter Test (R14-2-408.F)	A charge for testing the accuracy of a meter upon a customer's request. No charge will be levied if the meter is found to be in error by more than +/- three (3) percent.
Deposit (R14-2-403.B)	A refundable security deposit not exceeding two times the average residential class bill for residential customers, and not exceeding two and one-half times a non-residential customer's estimated maximum monthly bill.
Deposit Interest (R14-2-403.B.3)	Annual percentage interest rate applied to customer deposits. A six percent rate shall be applied if the company does not specify an interest rate with the Commission.
Re-establishment (R14-2-403.D.1)	A charge for service at the same location where the same customer had ordered a service disconnection within the preceding twelve-month period.
NSF Check (R14-2-409.F.1)	A fee for each instance where a customer tenders payment for utility service with an insufficient funds check.
Deferred Payment (R14-2-409.G.6)	Applicable monthly finance charges (interest rate) applied in a deferred payment agreement between the company and a customer.
Meter Re-read (R14-2-408.C.2)	Charge for a customer requested re-read of meter applicable when the original reading was found not to be in error.

COMPANY NAME: Utility Systems, LLC. Test Year Ended: Dec. 31, 2007  
 Name of System: Gardner Water ADEQ Public Water System Number: 04-038

**CURRENT AND PROPOSED SERVICE CHARGES**

CUSTOMER CLASS:  Residential  Commercial  Industrial  
 Irrigation  All  Other, specify \_\_\_\_\_

SERVICE LINE AND METER INSTALLATION CHARGES	CURRENT CHARGES	PROPOSED CHARGES
5/8" X 3/4" Meter	\$ 480.00	\$ 1200.00
3/4" Meter	\$ 550.00	\$ 1200.00
1" Meter	\$ 630.00	\$ 1800.00
1-1/2" Meter	\$ 800.00	\$ 2200.00
2" Meter	\$ 1,450.00	\$ 2500.00
3" Meter	\$ 1,975.00	\$ N/A
4" Meter	\$ 3,040.00	\$ N/A
6" Meter	\$ 5795.00	\$ N/A

Establishment	\$ 25.00	\$ 30.00
Establishment (after hours)	\$ 40.00	\$ 40.00
Reconnection (delinquent)	\$ 50.00	\$ 50.00
Reconnection (delinquent) after hours	\$ N/A	\$ 50.00
Meter Test	\$ 35.00	\$ 100.00
Deposit	\$ Per AAC R-14-2-403(B)	\$ Per AAC R-14-2-403(B)
Deposit Interest	Per AAC R-14-2-403(B)%	1.5 %
Re-establishment (within 12 months)	\$ Per AAC R-14-2-403(D)	\$ Per AAC R-14-2-403(D)
NSF Check	\$ 25.00	\$ 35.00
Deferred Payment	2% %	5 %
Meter Re-read	\$ 5.00	\$ 10.00
Late Fee	\$ 5.00	\$ 10.00

**Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.**

## UTILITY PLANT IN SERVICE INSTRUCTIONS

### Instructions for Page 12

Begin the computation of utility plant in service by completing the worksheet on page 12 labeled Plant Additions and Retirements by Year. On this worksheet insert the dollar amount of plant additions and retirements for each account by year. Provide all additions and retirements for all years beginning with the Test Year in the prior rate case and ending with the test year used in this application. If there are more than two intervening years, make copies of page 12 to report all intervening years.

### Instructions for Page 144

Upon completion of the above task, please add all additions on page 12 per plant account and enter the total on page 12 (Plant Summary), column B (Total Additions). Similarly, add all retirements by plant account and enter the total on page 144 column C (Total Retirements).

To assist you in the completion of page 14, please refer to the Commission Decision issued in the Company's prior rate case. That Decision established the value for the Original Cost of the plant and accumulated depreciation at the end of the prior test year. It may be necessary to refer to the associated Staff Report for individual account detail relating to the totals listed in the Decision.

Place the original cost of the plant in service per the prior decision in column A (Plant in Service per Prior Decision).

Complete column D (Test Year End Total), of page 14, for each plant account by adding column A and B and subtracting column C.

The totals calculated by plant must then be copied to page 15 (Utility Plant in Service), in the column titled Original Cost.

### Instructions for Page 15

The Test Year End Totals by plant account on page 14 must be recorded to the Utility Plant in Service worksheet on page 15, in the column titled Original Cost. The second column (Accumulated Depreciation) will include the accumulated depreciation as stated in the Commission's prior Decision plus each year's depreciation expense since the prior Test Year. The third column, Original Cost Less Depreciation is calculated by subtracting Accumulated Depreciation from Original Cost for each account.

*Note: For assistance with any of the above, please contact the Staff at 602-542-4251.*

COMPANY NAME: Utility Systems, LLC. Test Year Ended: Dec. 31, 2007  
 Name of System: Gardner Water ADEQ Public Water System Number: 04-038

**Plant Additions and Retirements by Year**

Acct. No.	Description	Year <u>2007</u>		Year <u>N/A</u>	
		Additions	Retirements	Additions	Retirements
301	Organization	Ø	Ø	N/A	N/A
302	Franchises	Ø	Ø	N/A	N/A
303	Land & Land Rights	Ø	Ø	N/A	N/A
304	Structures & Improvements	Ø	Ø	N/A	N/A
307	Wells & Springs	Ø	Ø	N/A	N/A
311	Pumping Equipment	Ø	Ø	N/A	N/A
320	Water Treatment Equipment	Ø	Ø	N/A	N/A
320.1	Water Treatment Plants	Ø	Ø	N/A	N/A
320.2	Solution Chemical Feeders	Ø	Ø	N/A	N/A
330	Distribution Reservoirs & Standpipes	Ø	Ø	N/A	N/A
330.1	Storage Tanks	Ø	Ø	N/A	N/A
330.2	Pressure Tanks	Ø	Ø	N/A	N/A
331	Transmission & Distrib. Mains	Ø	Ø	N/A	N/A
333	Services	Ø	Ø	N/A	N/A
334	Meters & Meter Installations	Ø	Ø	N/A	N/A
335	Hydrants	Ø	Ø	N/A	N/A
336	Backflow Prevention Devices	Ø	Ø	N/A	N/A
339	Other Plant & Misc. Equipment	Ø	Ø	N/A	N/A
340	Office Furniture & Equipment	Ø	Ø	N/A	N/A
340.1	Computers & Software	\$ 250.00	Ø	N/A	N/A
341	Transportation Equipment	\$ 20,514.77	Ø	N/A	N/A
343	Tools, Shop & Garage Equip.	Ø	Ø	N/A	N/A
344	Laboratory Equipment	Ø	Ø	N/A	N/A
345	Power Operated Equipment	Ø	Ø	N/A	N/A
346	Communication Equipment	Ø	Ø	N/A	N/A
347	Miscellaneous Equipment	Ø	Ø	N/A	N/A
348	Other Tangible Plant	Ø	Ø	N/A	N/A
	<b>TOTAL WATER PLANT</b>	<b>20,764.77</b>	<b>Ø</b>	<b>N/A</b>	<b>N/A</b>

Note: Enter all additions and retirements, by year, from the prior test year through the end of the current test year. Enter the totals for the additions and retirements for all intervening years on page 14, Columns B and C, respectively.

COMPANY NAME: Utility Systems, LLC.

Test Year Ended: Dec. 31, 2007

Name of System: Gardner Water

ADEQ Public Water System Number: 04-038

**Plant Summary**

Acct. No.	Description	Plant in Service	Total	Total	Test Year End
		Per Prior Decision	Additions	Retirements	Total
		Column A	Column B	Column C	Column D*
301	Organization	769.92	∅	∅	769.92
302	Franchises	∅	∅	∅	∅
303	Land & Land Rights	5,600.00	∅	∅	5,600.00
304	Structures & Improvements	1,700.00	∅	∅	1,700.00
307	Wells & Springs	10,922.00	∅	∅	10,922.00
311	Pumping Equipment	2,100.00	∅	∅	2,100.00
320	Water Treatment Equipment	∅	∅	∅	∅
320.1	Water Treatment Plants	∅	∅	∅	∅
320.2	Solution Chemical Feeders	∅	∅	∅	∅
330	Distribution Reservoirs & Standpipes	∅	∅	∅	∅
330.1	Storage Tanks	∅	∅	∅	∅
330.2	Pressure Tanks	20,200.00	∅	∅	20,200.00
331	Transmission & Distrib. Mains	24,453.00	∅	∅	24,453.00
333	Services	4,380.00	∅	∅	4,380.00
334	Meters & Meter Installations	3,153.00	∅	∅	3,153.00
335	Hydrants	∅	∅	∅	∅
336	Backflow Prevention Devices	∅	∅	∅	∅
339	Other Plant & Misc. Equipment	∅	∅	∅	∅
340	Office Furniture & Equipment	162.50	∅	∅	162.50
340.1	Computers & Software	500.00	250.00	∅	750.00
341	Transportation Equipment	500.00	20514.77	∅	21014.77
343	Tools, Shop & Garage Equip.	1,794.31	∅	∅	1,794.31
344	Laboratory Equipment	∅	∅	∅	∅
345	Power Operated Equipment	20,700.00	∅	∅	20,700.00
346	Communication Equipment	∅	∅	∅	∅
347	Miscellaneous Equipment	∅	∅	∅	∅
348	Other Tangible Plant	∅	∅	∅	∅
	<b>TOTAL WATER PLANT</b>	<b>96,934.73</b>	<b>20,764.77</b>	<b>∅</b>	<b>117,699.50</b>

Note: Please refer to the checklist on page 1 for the required attachments related to this schedule

\* Column D = Column A + Column B - Column C

COMPANY NAME: *Utility Systems, LLC* Test Year Ended: *Dec. 31, 2007*  
 Name of System: *Gardner Water* ADEQ Public Water System Number: *04-038*

**UTILITY PLANT IN SERVICE**

Acct No.	Description	Original Cost	Accumulated Depreciation	OCLE
		<i>Column A</i>	<i>Column B</i>	<i>Column C**</i>
301	Organization	769.92	∅	769.92
302	Franchises	∅	∅	∅
303	Land & Land Rights	5,600.00	N/A	5,600.00
304	Structures & Improvements	1,700.00	84.92	1,615.08
307	Wells & Springs	10,922.00	545.55	10,376.45
311	Pumping Equipment	2,100.00	394.05	1,705.95
320	Water Treatment Equipment	∅	∅	∅
320.1	Water Treatment Plants	∅	∅	∅
320.2	Solution Chemical Feeders	∅	∅	∅
330	Distribution Reservoirs & Standpipes	∅	∅	∅
330.1	Storage Tanks	∅	∅	∅
330.2	Pressure Tanks	20,200.00	1,515.00	18,685.00
331	Transmission & Distrib. Mains	24,453.00	733.59	23,719.41
333	Services	4,380.00	218.78	4,161.22
334	Meters & Meter Installations	3,153.00	393.96	2,759.04
335	Hydrants	∅	∅	∅
336	Backflow Prevention Devices	∅	∅	∅
339	Other Plant & Misc. Equipment	∅	∅	∅
340	Office Furniture & Equipment	162.50	16.26	146.24
340.1	Computers & Software	750.00	225.00	525.00
341	Transportation Equipment	21,014.77	6,304.42	14,710.34
343	Tools, Shop & Garage Equip.	1,794.31	134.58	1,659.73
344	Laboratory Equipment	∅	∅	∅
345	Power Operated Equipment	20,700.00	1,552.50	19,147.50
346	Communication Equipment	∅	∅	∅
347	Miscellaneous Equipment	∅	∅	∅
348	Other Tangible Plant	∅	∅	∅
	<b>TOTAL WATER PLANT</b>	<b>* 117,699.50</b>	<b>* 12,118.61</b>	<b>105,580.88</b>

\* Must be the same as the amount reported on page 20  
 \*\*Column C = Column A - Column B

COMPANY NAME: Utility Systems, LLC.

Test Year Ended: Dec. 31, 2007

Name of System: Gardner Water

ADEQ Public Water System Number: 04-038

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Well Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-631406	3.5	30	100	8	1 1/2	1960
55-627384	2.0	30	385	6	1	1999

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A	N/A	N/A
N/A	N/A	N/A

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
N/A	N/A	3000 gal	1
N/A	N/A	2000 gal	1
N/A	N/A	N/A	N/A

**COMPANY NAME:** Utility Systems, LLC DBA Gardner Water **Test Year Ended:** Dec 31, 2007  
**Name of System:** Gardner Water **ADEQ Public Water System Number:** 04-038

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	poly	7946
3	poly	3200
4	N/A	0
5	N/A	0
6	N/A	0
8	N/A	0
10	N/A	0
12	N/A	0
1.5"	poly	150

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	194
3/4	0
1	0
1 1/2	0
2	0
Comp. 3	0
Turbo 3	0
Comp. 4	0
Turbo 4	0
Comp. 6	0
Turbo 6	0

**For the following three items, list the utility owned assets in each category for each system.**

**TREATMENT EQUIPMENT:**

N/A

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**STRUCTURES:**

2 pump houses

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**OTHER:**

N/A

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COMPANY NAME: Utility Systems, LLC. Test Year Ended: Dec. 31, 2007  
 Name of System: Gardner Water ADEQ Public Water System Number: 04-038

**WATER USE DATA SHEET BY MONTH FOR TEST YEAR**

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	93	76.9	90.4	0
FEBRUARY	93	50.9	58.8	0
MARCH	93	69.1	75.8	0
APRIL	93	91.7	101.0	0
MAY	93	214.5	238.5	0
JUNE	93	365.3	410.2	0
JULY	93	217.5	243.9	0
AUGUST	94	202.1	228.2	0
SEPTEMBER	92	157.0	174.4	0
OCTOBER	93	98.6	108.7	0
NOVEMBER	94	93.4	105.5	0
DECEMBER	94	55.7	64.9	0
TOTALS →		1,692.7	**1,900.3	0

What is the level of arsenic for each well on your system? <0.0012 mg/l  
 (If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for N/A hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
 Yes  No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
 Yes  No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
 Yes  No

If yes, provide the GPCPD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of any of the above, please contact Engineering at 602-542-7277.*

\* This number must be equal to the number entered on Page 6, "sold gallons."  
 \*\* Gallons pumped cannot equal or be less than the gallons sold

COMPANY NAME: Utility Systems, LLC. Test Year Ended: Dec. 31, 2007  
 Name of System: Gardner Water ADEQ Public Water System Number: 04-038

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	TEST YEAR
461	Metered Water Revenue	\$ N/A	\$ 29,067.92
460	Unmetered Water Revenue	N/A	0
474	Other Water Revenues	N/A	960.00
	<b>TOTAL OPERATING REVENUES</b>	\$ N/A	\$ 30,027.92
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages (See page 1, item 4)	\$ N/A	\$ 3,919.94
610	Purchased Water (See page 1, item 5)	N/A	0
615	Purchased Power (See page 1, item 6)	N/A	1,072.74
618	Chemicals	N/A	0
620	Repairs and Maintenance (See page 1, item 7)	N/A	2,169.91
621	Office Supplies and Expense	N/A	388.65
630	Outside Services (See page 1, item 8)	N/A	1,297.97
635	Water Testing (See page 1, item 9)	N/A	300.00
641	Rents	N/A	0
650	Transportation Expenses	N/A	1,885.50
657	Insurance - General Liability	N/A	687.00
659	Insurance - Health and Life	N/A	0
666	Regulatory Commission Expense - Rate Case	N/A	0
675	Miscellaneous Expense	N/A	422.12
403	Depreciation Expense (From page 20)	N/A	8,079.07
408	Taxes Other Than Income	N/A	0
408.11	Property Taxes (See page 1, item 10)	N/A	1,732.45
409	Income Tax	N/A	0
	<b>TOTAL OPERATING EXPENSES</b>	\$ N/A	\$ 21,953.35
	<b>OPERATING INCOME/(LOSS)</b>	\$ N/A	\$ 8,072.57
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ N/A	\$ .44
421	Non-Utility Income	N/A	0
426	Miscellaneous Non-Utility Expenses	N/A	0
427	Interest Expense	N/A	7,810.02
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ N/A	\$ -7,809.58
	<b>NET INCOME/(LOSS)</b>	\$ N/A	\$ 262.99

*Note: Do not include sales tax in revenue or expense. Please refer to the checklist on page 1 for the required attachments related to this schedule.*

*\* This number must be identical to the number entered on page 5 "total operating revenues."*

COMPANY NAME: *Utility Systems, LLC.* Test Year Ended: *Dec. 31, 2007*  
 Name of System: *Gardner Water* ADEQ Public Water System Number: *04-038*

**CALCULATION OF DEPRECIATION EXPENSE**

Acct. No..	Description	Original Cost	Depreciation Percentage	Depreciation Expense
		Column A	Column B	Column C*
301	Organization	769.92	∅	∅
302	Franchises	∅	∅	∅
303	Land & Land Rights	5,600.00	N/A	∅
304	Structures & Improvements	1,700.00	3.33%	56.61
307	Wells & Springs	10,922.00	3.33%	363.70
311	Pumping Equipment	2,100.00	12.50%	262.70
320	Water Treatment Equipment	N/A	N/A	N/A
320.1	Water Treatment Plants	∅	3.33%	∅
320.2	Solution Chemical Feeders	∅	20.00%	∅
330	Distribution Reservoirs & Standpipes	N/A	N/A	N/A
330.1	Storage Tanks	∅	2.22%	∅
330.2	Pressure Tanks	20,200.00	5.00%	1010.00
331	Transmission & Distrib. Mains	24,453.00	2.00%	489.06
333	Services	4,380.00	3.33%	145.85
334	Meters & Meter Installations	3,153.00	8.33%	262.64
335	Hydrants	∅	2.00%	∅
336	Backflow Prevention Devices	∅	6.67%	∅
339	Other Plant & Misc. Equipment	∅	6.67%	∅
340	Office Furniture & Equipment	162.50	6.67%	10.84
340.1	Computers & Software	750.00	20.00%	150.00
341	Transportation Equipment	21,014.77	20.00%	4,202.95
343	Tools, Shop & Garage Equip.	1,794.31	5.00%	89.72
344	Laboratory Equipment	∅	10.00%	∅
345	Power Operated Equipment	20,700.00	5.00%	1,035.00
346	Communication Equipment	∅	10.00%	∅
347	Miscellaneous Equipment	∅	10.00%	∅
348	Other Tangible Plant	∅	N/A	∅
	<b>TOTAL WATER PLANT</b>	<b>\$ 117,699.50</b>	<b>N/A</b>	<b>\$ 8,079.07</b>

in column 2.

\* Column C = Column A x Column B

**COMPANY NAME:** *Utility Systems, LLC* **Test Year Ended:** *Dec 31, 2007*  
**Name of System:** *Gardner Water* **ADEQ Public Water System Number:** *04-038*

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF TEST YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 220.29	\$ 1416.24
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	0	0
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 220.29	\$ 1416.24
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 96,934.73	\$ 117,699.50*
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation - Utility Plant ("AD-UP")	- 4,039.54	(\$ 12,118.61)**
121	Non-Utility Property	0	0
122	Accumulated Depreciation - Non Utility ("AD-NU")	0	(\$ 0 )
	<b>TOTAL FIXED ASSETS</b>	\$ 92,895.19	\$ 105,580.89
	<b>TOTAL ASSETS</b>	\$ 93,115.48	\$ 106,997.13

**Note:** Total Assets on this page should equal the sum of Total Liabilities and Total Capital on page 22. Also, numbers in parentheses should be subtracted. For example, Accounts 108 and 122 should be subtracted from Total Fixed Assets.

\* Must equal page 15, original cost

\*\* Must equal page 15, accumulated depreciation

**COMPANY NAME:** *utility Systems, LLC* **Test Year Ended:** *Dec. 31, 2007*  
**Name of System:** *Gardner water* **ADEQ Public Water System Number:** *04-038*

**BALANCE SHEET (CONTINUED)**

	<b>LIABILITIES</b>	<b>BALANCE AT BEGINNING OF TEST YEAR</b>	<b>BALANCE AT END OF TEST YEAR</b>
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 0	\$ 0
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	0	0
236	Accrued Taxes	0	0
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	0	0
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 0	\$ 0
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 93,619.37	\$ 78,316.86
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	0	\$ 0 *
255	Accumulated Deferred Investment Tax Credits	0	0
271	Gross Contributions in Aid of Construction	0	\$ 0 **
272	Less: Amortization of Contributions	0	(\$ 0 )
281	Accumulated Deferred Income Tax	0	0
	<b>TOTAL DEFERRED CREDITS</b>	\$ 0	\$ 0
	<b>TOTAL LIABILITIES</b>	\$	\$
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 0	\$ 0
211	Paid in Capital in Excess of Par Value	0	0
215	Retained Earnings	0	3,705.52
218	Proprietary Capital (Sole Props and Partnerships)	- 503.89	24,974.75
	<b>TOTAL CAPITAL</b>	\$ - 503.89	\$ 28,680.27
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 93,115.48	\$ 106,997.13

*Note: Account 272 should be subtracted from Total Deferred Credits.*

*\* Must equal page 24, Total Advances in Aid of Constructions*

*\*\* Must equal page 25, Total Advances*

COMPANY NAME: Utility Systems, LLC Test Year Ended: Dec. 31, 2007  
 Name of System: Gardner water ADEQ Public Water System Number: 04-038

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt<sup>1</sup>**

	LOAN #1*	LOAN #2*	LOAN #3*	LOAN #4*
Date Issued	8-18-07	5-5-07	6-30-06	
Source of Loan	General Lendition	AmeriCredit	Chase	
Reason for Loan	Purchase Gardner water	2006 Dodge	Purchase Gardner water	
Dollar Amount Issued	\$ 65,000.00	\$ 18,514.77	\$ 30,000.00	\$
Net Proceeds	\$ 0	\$ 0	\$ 0	\$
Amount Outstanding	\$ 61,346.24	\$ 16,970.61	\$ 0	\$
Date of Maturity	7/18/2021	4/15/2013	6-5-07	
Interest Rate	7%	10.5%	8%	
Current Year Interest	\$ 4,394.51	\$ 12,49.36	\$ 2,166.15	\$
Current Year Principal	\$ 2,166.37	\$ 4,300.13	\$ 735.60	\$
Authority Granted By ACC Decision No.	69582	69582	69582	

**A.R.S. 40-301 requires ACC approval of long-term debt. If the Commission has not approved any of the above loans, then please submit an application requesting approval of the above loans.**

Meter Deposit Balance – Test Year \$ 0  
 Meter Deposits Refunded During the Test Year \$ 0

<sup>1</sup> List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed.

COMPANY NAME: Utility Systems, LLC. Test Year Ended: Dec. 31, 2007  
 Name of System: Gardner Water ADEQ Public Water System Number: 04-038

ADVANCES IN AID OF CONSTRUCTION (Acct. 252)<sup>2</sup>

	Additions During Year	Refunds During Year	
Balance Per Prior Decision	N/A	N/A	\$ N/A
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Year <u>N/A</u>	\$ N/A	\$ N/A	
Total of Additions	\$ N/A	N/A	
Total of Refunds	N/A	\$ N/A	
Total Advances in Aid of Construction	N/A	N/A	\$ N/A *

Note: Prior Decision refers to the balances per the prior Staff Report as adjusted per the final Commission Decision.

\* Total Advances in Aid of Construction = Balance Per Prior Decision + Total Additions - Total Refunds (cross reference this to the Balance Sheet on page 22)

<sup>2</sup> Advances in Aid of Construction refers to the following:

- (1) Refundable amounts received from a new customer to cover the cost of a meter and piping from the building to the meter and the associated installation.
- (2) Refundable amounts received from a customer or a developer for mains, valves, fittings, and additional facilities required to provide pressure, storage, or water supply pursuant to a main extension agreement.

COMPANY NAME: Utility Systems, LLC. Test Year Ended: Dec. 31, 2007  
 Name of System: Gardner Water ADEQ Public Water System Number: 04-038

**GROSS CONTRIBUTIONS IN AID OF CONSTRUCTION (Acct. 271)<sup>3</sup>**

Balance Per Prior Decision	N/A	\$	N/A
Additions Year <u>N/A</u>	\$	N/A	
Additions Year <u>N/A</u>	\$	N/A	
Additions Year <u>N/A</u>	\$	N/A	
Additions Year <u>N/A</u>	\$	N/A	
Additions Year <u>N/A</u>	\$	N/A	
Additions Year <u>N/A</u>	\$	N/A	
Additions Year <u>N/A</u>	\$	N/A	
Additions Year <u>N/A</u>	\$	N/A	
Additions Year <u>N/A</u>	\$	N/A	
Additions Year <u>N/A</u>	\$	N/A	
Additions Year <u>N/A</u>	\$	N/A	
Additions Year <u>N/A</u>	\$	N/A	
Additions Year <u>N/A</u>	\$	N/A	
Additions Year <u>N/A</u>	\$	N/A	
Total Additions <u>N/A</u>	N/A	\$	N/A
Balance at Test Year End <u>N/A</u>	N/A	\$	N/A *

Note: Prior Decision refers to the balances per the prior Staff Report as adjusted per the final Commission Decision.

\* Balance at Test Year End = Balance Per Prior Decision + Total Additions (cross reference this to the Balance Sheet on page 22)

<sup>3</sup> Contributions in Aid of Construction refers to the following:

- (1) Non-refundable money, services, or property received for use in the provision of utility service from any source that is provided at no cost and interest free.
- (2) Unrefunded balances of expired advance contracts reclassified from Advances in Aid of Construction.

## BILL COUNT INSTRUCTIONS

A quarterly Bill Count must be provided for each of the meter sizes the Company had in service during the Test Year. If you had more than one meter size in service, reproduce the forms on pages 27 through 31, inclusive, so that you will submit one set of Bill Count forms (i.e. one Bill Count for each quarter and a Bill Count Summary), for each meter size. An item such as a metered standpipe would be considered to be a different size meter, since it may have a different tariff rate than the other size meters.

A Bill Count Summary sheet is provided on page 31. Please note that each bill over 100,000 gallons should be shown separately. The number of bills in each line will be added to produce a total of all bills at the bottom of the page.

The first step in producing the Bill Count is to collect all monthly bills rendered for metered water sales during the 12 months of the Test Year. The collection of bills must include bills to part-time customers and to customers who are no longer on the system, but who were on the system for any part of the Test Year.

Only include bills for water sold during the Test Year. For example, assume that the Test Year runs from January 1<sup>st</sup> to December 31<sup>st</sup> (calendar-year) and you normally bill on January 5<sup>th</sup>. The bill sent out at that time would cover December 1<sup>st</sup> through 31<sup>st</sup> usage of the prior year and should not be included. The first billing to be used for the year would be the February 5<sup>th</sup> billing and the last billing to be used would be the billing of January 5<sup>th</sup> of the succeeding year.

Sort the bills by each quarter, by meter size, so that a separate bill count is produced for each three-month period by meter size. On each quarterly Bill Count sheet, place a tally for each bill in the appropriate gallonage range. After tallying each bill, add the tallies in each gallonage range and report the tally totals in the column provided.

*Note: For explanation of any of the above, please contact the Staff at 602-542-4251.*

Company Name: <i>Utility Systems, LLC.</i>	Test Year Ended: <i>Dec. 31, 2007</i>
Meter Size: <i>5/8" x 3/4"</i>	1 <sup>st</sup> Quarter Ended: <i>Mar. 31, 2007</i>

**BILL COUNT WORKSHEET 1<sup>ST</sup> QUARTER**

GALLONAGE RANGE	NUMBER OF BILLS			TOTAL BILLS FOR 1 <sup>st</sup> QUARTER
	Jan 45	Feb 46	Mar 33	
- 0 -				124
1 to 1,000	23	34	39	96
1,001 to 2,000	8	4	8	20
2,001 to 3,000	6	0	5	11
3,001 to 4,000	1	7	5	13
4,001 to 5,000	2	0	2	4
5,001 to 6,000	2	1	0	3
6,001 to 7,000	1	1	1	3
7,001 to 8,000	1	0	0	1
8,001 to 9,000	1	0	0	1
9,001 to 10,000	0	0	0	0
10,001 to 12,000	1	0	0	1
12,001 to 14,000	1	0	0	1
14,001 to 16,000	0	0	0	0
16,001 to 18,000	0	0	0	0
18,001 to 20,000	0	0	0	0
20,001 to 25,000	1	0	0	1
25,001 to 30,000	0	0	0	0
30,001 to 35,000	0	0	0	0
35,001 to 40,000	0	0	0	0
40,001 to 50,000	0	0	0	0
50,001 to 60,000	0	0	0	0
60,001 to 70,000	0	0	0	0
70,001 to 80,000	0	0	0	0
80,001 to 90,000	0	0	0	0
90,001 to 100,000	0	0	0	0
Over 100,000 (List actual gallons, e.g., 120,000)	0	0	0	0
<b>Total Bills</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>279</b>

Company Name: <u>Utility Systems, LLC.</u>	Test Year Ended: <u>Dec. 31, 2007</u>
Meter Size: <u>5/8" x 3/4"</u>	2 <sup>nd</sup> Quarter Ended: <u>June 30, 2007</u>

**BILL COUNT WORKSHEET 2<sup>ND</sup> QUARTER**

GALLONAGE RANGE	NUMBER OF BILLS			TOTAL BILLS FOR 2 <sup>ND</sup> QUARTER
	Apr 27	May 19	June 16	
- 0 -				62
1 to 1,000	37	38	31	106
1,001 to 2,000	13	11	8	32
2,001 to 3,000	7	6	6	19
3,001 to 4,000	4	3	4	11
4,001 to 5,000	1	5	4	10
5,001 to 6,000	2	3	0	5
6,001 to 7,000	0	1	4	5
7,001 to 8,000	1	3	4	8
8,001 to 9,000	1	0	2	3
9,001 to 10,000	0	1	2	3
10,001 to 12,000	0	0	2	2
12,001 to 14,000	0	0	5	5
14,001 to 16,000	0	2	1	3
16,001 to 18,000	0	0	0	0
18,001 to 20,000	0	0	0	0
20,001 to 25,000	0	0	3	3
25,001 to 30,000	0	0	1	1
30,001 to 35,000	0	0	0	0
35,001 to 40,000	0	0	0	0
40,001 to 50,000	0	1	0	1
50,001 to 60,000	0	0	0	0
60,001 to 70,000	0	0	0	0
70,001 to 80,000	0	0	0	0
80,001 to 90,000	0	0	0	0
90,001 to 100,000	0	0	0	0
Over 100,000 (List actual gallons, e.g., 120,000)	0	0	0	0
<b>Total Bills</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>279</b>

Company Name: <u>Utility Systems, LLC.</u>	Test Year Ended: <u>Dec. 31, 2007</u>
Meter Size: <u>5/8" x 3/4"</u>	3 <sup>rd</sup> Quarter Ended: <u>Sept. 30, 2007</u>

**BILL COUNT WORKSHEET 3<sup>RD</sup> QUARTER**

GALLONAGE RANGE	NUMBER OF BILLS			TOTAL BILLS FOR 3 <sup>RD</sup> QUARTER
	July 14	Aug 12	Sept 16	
- 0 -	14	12	16	42
1 to 1,000	27	29	38	94
1,001 to 2,000	11	23	14	48
2,001 to 3,000	14	5	7	26
3,001 to 4,000	5	5	10	20
4,001 to 5,000	6	6	4	16
5,001 to 6,000	4	5	1	10
6,001 to 7,000	4	3	1	8
7,001 to 8,000	2	1	0	3
8,001 to 9,000	4	0	0	4
9,001 to 10,000	1	2	0	3
10,001 to 12,000	1	2	0	3
12,001 to 14,000	0	1	0	1
14,001 to 16,000	0	0	0	0
16,001 to 18,000	0	0	0	0
18,001 to 20,000	0	0	0	0
20,001 to 25,000	0	0	0	0
25,001 to 30,000	0	0	0	0
30,001 to 35,000	0	0	0	0
35,001 to 40,000	0	0	0	0
40,001 to 50,000	0	0	1	1
50,001 to 60,000	0	0	0	0
60,001 to 70,000	0	0	0	0
70,001 to 80,000	0	0	0	0
80,001 to 90,000	0	0	0	0
90,001 to 100,000	0	0	0	0
Over 100,000 (List actual gallons, e.g., 120,000)	0	0	0	0
<b>Total Bills</b>	<b>93</b>	<b>94</b>	<b>92</b>	<b>279</b>

Company Name: <u>Utility Systems, LLC</u>	Test Year Ended: <u>Dec 31, 2007</u>
Meter Size: <u>5/8 x 3/4"</u>	4 <sup>th</sup> Quarter Ended: <u>Dec. 31, 2007</u>

**BILL COUNT WORKSHEET 4<sup>TH</sup> QUARTER**

GALLONAGE RANGE	NUMBER OF BILLS			TOTAL BILLS FOR 4 <sup>th</sup> QUARTER
	Oct. 16	Nov. 30	Dec. 52	
- 0 -				98
1 to 1,000	47	33	27	107
1,001 to 2,000	12	18	5	35
2,001 to 3,000	7	6	5	18
3,001 to 4,000	6	2	1	9
4,001 to 5,000	3	3	2	8
5,001 to 6,000	1	0	2	3
6,001 to 7,000	1	1	0	2
7,001 to 8,000	0	0	0	0
8,001 to 9,000	0	0	0	0
9,001 to 10,000	0	0	0	0
10,001 to 12,000	0	1	0	1
12,001 to 14,000	0	0	0	0
14,001 to 16,000	0	0	0	0
16,001 to 18,000	0	0	0	0
18,001 to 20,000	0	0	0	0
20,001 to 25,000	0	0	0	0
25,001 to 30,000	0	0	0	0
30,001 to 35,000	0	0	0	0
35,001 to 40,000	0	0	0	0
40,001 to 50,000	0	0	0	0
50,001 to 60,000	0	0	0	0
60,001 to 70,000	0	0	0	0
70,001 to 80,000	0	0	0	0
80,001 to 90,000	0	0	0	0
90,001 to 100,000	0	0	0	0
Over 100,000 (List actual gallons, e.g., 120,000)	0	0	0	0
<b>Total Bills</b>	<b>93</b>	<b>94</b>	<b>94</b>	<b>281</b>

Company Name: Utility Systems, LLC. Test Year Ended: Dec. 31, 2007  
 Meter Size: 5/8" x 3/4"

**BILL COUNT SUMMARY**

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
- 0 -	124	62	42	98	326
1 to 1,000	96	106	94	107	403
1,001 to 2,000	20	32	48	35	135
2,001 to 3,000	11	19	26	18	74
3,001 to 4,000	13	11	20	9	53
4,001 to 5,000	4	10	16	8	38
5,001 to 6,000	3	5	10	3	21
6,001 to 7,000	3	5	8	2	18
7,001 to 8,000	1	8	3	0	11
8,001 to 9,000	1	3	4	0	8
9,001 to 10,000	0	3	3	0	6
10,001 to 12,000	1	2	3	1	7
12,001 to 14,000	1	5	1	0	7
14,001 to 16,000	0	3	0	0	3
16,001 to 18,000	0	0	0	0	0
18,001 to 20,000	0	0	0	0	0
20,001 to 25,000	1	3	0	0	4
25,001 to 30,000	0	1	0	0	1
30,001 to 35,000	0	0	0	0	0
35,001 to 40,000	0	0	0	0	0
40,001 to 50,000	0	1	1	0	2
50,001 to 60,000	0	0	0	0	0
60,001 to 70,000	0	0	0	0	0
70,001 to 80,000	0	0	0	0	0
80,001 to 90,000	0	0	0	0	0
90,001 to 100,000	0	0	0	0	0
Over 100,000 (List actual gallons, e.g., 120,000)	0	0	0	0	0
<b>Total Bills</b>	<b>279</b>	<b>279</b>	<b>279</b>	<b>281</b>	<b>1,117</b>



## CUSTOMER NOTIFICATION

Utility Systems, LLC. DBA. Gardner Water has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since 04/2001. An increase in rates is necessary at this time due to an increased cost in operating expenses and planned improvements. Based on the Company's un-audited Test Year results, Utility Systems, LLC. DBA. Gardner Water realized an operating income of \$30,027.92. The Company is requesting a revenue increase of \$19,380 or 64.54% of total revenues. Please see the attached pages 8 and 10 of the Company's application for the current and proposed rates.

The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street or online at <http://edocket.azcc.gov/edocket/> and at Utility Systems, LLC. DBA. Gardner Water, 173 S. Blackfoot Rd, 478-0010. Please be advised that the rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application.

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's Application including service, billing procedures or other factors important in determining the reasonableness of charges. Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 800-222-7000 (if located outside the Phoenix local calling area) or 602-542-4251 in the Phoenix local calling area. Customers may also contact the Tucson Commission office by calling 800-535-0148 (if located outside the Tucson local calling area) or 520-628-6555 in the Tucson local calling area.

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, customer comments submitted in writing will be placed in the office file, which the Commission reviews prior to making its final decision on the Application. It is important that customers contact the Commission within 15 days of the receipt of this notice so that the Commission's Staff can consider customer comments and concerns in developing its recommendations to the Commission.



**Arizona Department of Environmental Quality  
Drinking Water Monitoring and Protection Unit  
1110 W. Washington Street, 5415B-1  
Phoenix, AZ 85007**

**Drinking Water Compliance Status Report**

**Public Water System Name:** Gardner WC

**Public Water System ID #:** 04-038

**Public Water System Type:**  Community  Non-transient Non-community  Transient Non-community

**Overall Compliance Status:**  No Major Deficiencies  Major Deficiencies

**Monitoring and Reporting Status:**  No Major Deficiencies  Major Deficiencies

**Comments:** *None*

**Operation and Maintenance Status:**  No Major Deficiencies  Major Deficiencies

**Comments:** *None*

**Major unresolved/ongoing operation and maintenance deficiencies:**

- unable to maintain 20psi
- cross connection/backflow problems
- treatment deficiencies
- certified operator
- inadequate storage
- surface water treatment rule
- approval of construction
- other

**Date of last inspection / sanitary survey:** 6-11-04

**Administrative Orders:**

Is an ADEQ administrative order in effect?  Yes  No

**Comments:** *None*

**System information:**

Number of Entry Points to the Distribution System 2 Number of Sources 2

Population Served 160 Service Connections 84 Initial Monitoring Year 1995

**Evaluation completed by:** Donna Calderon, Manager, Drinking Water Monitoring and Protection Unit

**Phone:** 602-771-4641

**Date:** January 17, 2008



Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for this system in the future. This compliance status report does not reflect the status of any other water system owned by this utility company.

# Certificate of Compliance Letter of Good Standing

## Utility Systems L.L.C.

This Certificate of Compliance is issued pursuant to Arizona Revised Statutes, Section 42-1110 and/or Section 43-1151. It certifies that, according to department records, the above named taxpayer has filed and paid all taxes due under Title 42 and Title 43, specifically and only as to the following described tax types and identification/license numbers:

### TAX TYPE

Federal Employer Identification Number

Transaction Privilege Tax License

This certification is made conditionally and is subject to the findings of any subsequent audit.

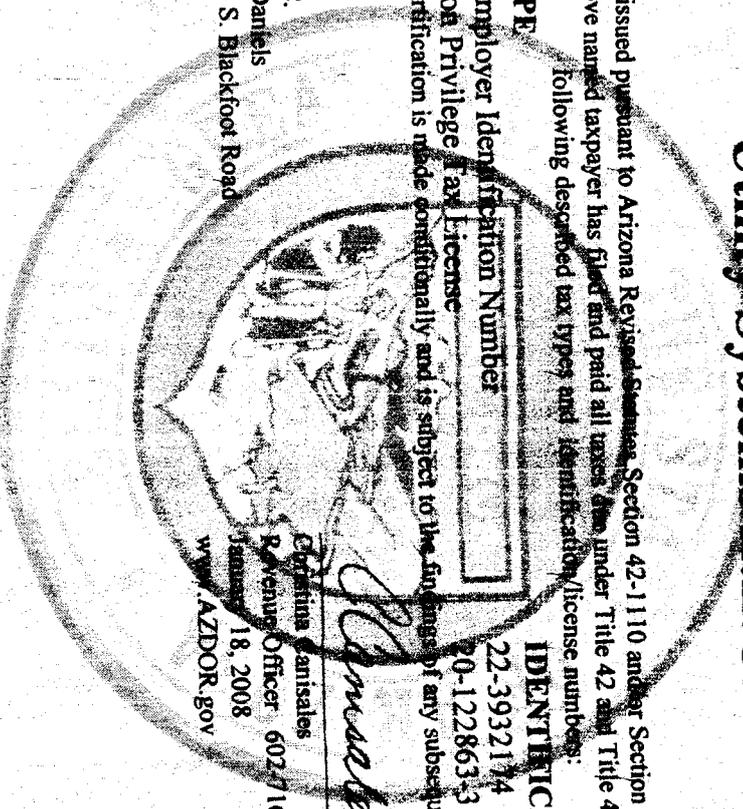
### IDENTIFICATION

22-3932174

90-122863-3

Issued To:  
Utility Systems L.L.C.  
Attn: Mr. Jeffery T. Daniels  
HC2 Box 164-H, 173 S. Blackfoot Road  
Payson, AZ 85541

Christina Canisales  
Revenue Officer 602/716-6234  
June 18, 2008  
www.AZDOR.gov



Buyer(s)/Debtor(s) **JEFFERY T. DANIEL & DORIAN C. DANIELS**

Seller(s) **DRAYMAN AUTO CENTER, INC.**  
 P.O. BOX 1750  
 DRAYSON, CT 06547

As used in this contract, the words "you" and "your" mean the Buyer or Buyers by us and accept...

PLEASE READ THE BACK OF THIS CONTRACT AND AGREE TO ALL OF THE TERMS ON BOTH SIDES OF THIS CONTRACT.

The Vehicle which you are purchasing is:

MAKE	YEAR	MODEL	TYPE	OR SERIES	VIN #
NEW	2006	JUDGE	LT	LT CAB	4T7W528P86A21470

ARE YOU THE BUYER OF THIS VEHICLE?

Your payment schedule will be:

10	3.99%	Monthly, Beginning
----	-------	--------------------

ARE NOT REQUIRED TO OBTAIN CREDIT, AND WILL NOT BE PROVIDED UNLESS YOU SIGN AND AGREE TO ALL OF THE TERMS...

Amount	provided at you or on your behalf	Cover the	Insurance	\$ N/A	Optional	I want credit life
				\$ N/A		

Total Sale Price	\$ 55,278.36	Less Charge	\$ 4,995.00	Net Price	\$ 50,283.36
Less Down Payment	\$ 4,995.00	Net Price	\$ 50,283.36	Net Price	\$ 50,283.36

1. Cash Price (incl. accessories) \$ 57,995

2. Other charges included in this price:

(a) Dealer Documentary Fee	\$ 0
(b) Other (describe)	\$ 0
(c) Other (describe)	\$ 0
(d) Other (describe)	\$ 0
(e) Other (describe)	\$ 0
(f) Other (describe)	\$ 0

3. Total Down Payment includes:

Total Down Payment (a + b)	\$ 4,995.00
Assigned to Seller	\$ 4,995.00
Total Down Payment (a + b)	\$ 4,995.00

4. Payment made to:

(a) Amount paid to financing Company	\$ 0
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## **NARRATIVE DESCRIPTION OF APPLICATION FOR RATE ADJUSTMENT**

Gardner Water System is approximately 50 years old and most of its assets have well out lived their life expectancy. The lack of major improvements and proper maintenance have resulted in an unreliable system that requires constant maintenance, is an inconvenience for its customers and needs a long term plan for improvement and the funds to incorporate this plan.

The main lines consist of 2-3" black poly landscape pipe. This type of piping is not normally used as plumbing grade and can not be used reliably at the pressures required to operate a water company efficiently. The main lines although were probably originally placed at an appropriate depth to prevent freezing and breaking, are no longer as deep as they used to be.

The roads in Colcord Estates are dirt roads, are not county maintained and get little maintenance otherwise. The county does come in to plow for snow removal and occasionally does some minor grading. This actually causes a further problem for the main lines because each time the roads get plowed or graded, material gets removed and the lines become shallower and shallower. Add to this the fact that each time it rains heavily the water runoff erodes the roads even further. Most of the lines we have had to repair have been only 10-18" deep. County code for water lines in our area is appropriately at least 24" deep. Quite often heavy equipment and trucks break the main lines by simply driving over them, especially when the roads are saturated by moisture.

We have had several main lines freeze solid in cold periods during the winter stopping service to affected customers and eventually breaking the lines. We do supply water jugs to the affected customers as required, but this is not the preferred method by us or them. Deepening some areas will be very difficult because of ledge rock or base rock. On one repair we found the water line at 15" deep and sitting right on the base rock in the middle of a main road. Deepening that line will require a large hammer hoe or blasting. The lines as a system were also poorly designed. The main feeds off the pressure tanks start out as 2" and are 2" through some of the roads. Occasionally they increase to 3" and back down to 2". We found one spur to be 3" connecting from a 2" main. Most of these lines will need to be replaced and deepened as soon as possible and we suggest all of them within the next 10 years to spread out the cost.

Of the two pressure tanks that operate the system one is 20 years old and the second is probably 30-35 years old. The first tank is in fairly good condition and is expected to last many more years before it begins to fail and require excessive maintenance and monitoring. The second one was used mainly as an auxiliary tank and used to be drained empty for the winter months. This has caused an internal rusting problem because of over oxidation on the interior and specifically the bottom of the tank that requires it to be constantly monitored and welding repairs done quite often. This tank is failing rapidly! Necessary repairs are becoming more often and more difficult because of the extreme deterioration. When a weld repair is started it usually exposes the weak sections around the leak requiring more extensive welding. Welding on the bottom of the tank also requires the tank to be drained completely causing a higher water loss. This tank will also certainly fail completely within the next few years and will need to be replaced. The approximate cost to replace this tank is \$20,000.

There is newer technology that could replace the pressure tank with equipment such as a variable speed motor and modifying the tank to be used as storage rather than pressurized to reduce water loss and extend the useful life of the tank. We have researched the ability of the newer technology to meet the needs of this system and its economic advantages and disadvantages. Our conclusion is that this would

be the most economically feasible way to improve this system. This would lower electric costs because standard booster pump motors have a high start-up and running currents compared to the variable speed motors. The system would provide a more consistent pressure to the customers, within 2psi of its normal operating pressure rather than the 20psi difference that is normal with pressure tanks.

This project would require a variable speed motor and modification of the pressure tank. The motor will cost approximately \$1,700 and modification of the pressure tank will be approximately \$500. There will also need to be some re-plumbing of the system to accommodate for these changes. Re-plumbing costs will be minimal because the work can be performed by company personnel. Overall costs for this project will conservatively be \$2,200.

Most of the water meters are probably original to the system (50 yrs old) and belong in a water history museum. I believe they have slowed down, read below their actual usage and should have been replaced years ago. This is the only explanation for higher water losses in the summer season compared to the winter. Leaks in the mains and system would show a somewhat continuous figure for water losses, not a rising and lowering loss corresponding with usage. In fact we checked on a meter where we thought the customer possibly had a leak. We could hear water moving but the meter wasn't registering any water flow. When we tapped on the meter it began to register the water flow showing that it was locking up and not registering actual water usage. We feel this problem is probably common throughout the system but cannot be verified without removing, testing and reinstalling every meter. We suggest "radio read" meters preferable or "touch read" meters at minimum for replacement. During the winter months from December through February there is usually quite a bit of snow and the meters are virtually inaccessible. We had to remove over 2' of snow and break up several inches of ice to access the boxes for the February reading this year after estimating meter readings in January. The meter boxes also tend to fill with water from runoff and snow melt. Under these conditions the lids will also freeze closed and can't be opened. This makes getting accurate water usage numbers in the winter virtually impossible.

Many of the valves that were originally installed to isolate sections of the system for repairs and maintenance have failed and need to be replaced. This results in having to shut the entire system down to perform any maintenance or repairs and results in unnecessary water loss. This is quite an inconvenience to all our customers when only certain sections should be affected. There are also several areas that need valves installed to isolate sections of the system to perform repairs efficiently, providing the least impact necessary on our customers. Because the main lines usually run down the center of the roads, these new valves will require the main line to be redirected to a location off the road in order to provide easy accessibility.

There has never been any maps drawn for this system. This makes repairs and maintenance very difficult. Usually the lines get broken by simply trying to locate them. We have had to rely on the memory of past owners and the use of "witching", both being fairly inaccurate. Since we purchased the company we have begun drawing maps from the repairs that we have done. There is also the high potential that there are unknown service connections. In the last year we located three that we did not know existed. One of them was being used without our knowledge. That person is now a paying customer.

There are a couple of areas that are at the top of hills where the pressure is barely 20psi. We have not found it to drop below 20psi but would assume it might during high usage times. The customers have complained about the low pressure but are unwilling to provide space for the required improvements. To improve this situation we will need to gain new easements, install electrical service,

install booster pumps and pressure tanks. We do not presently have the funding to implement these improvements.

We are constantly debating with the county as to the status of the roads where the water lines run. The County roads department claims that the roads are county easements. If they are county easements, as of late 2002 we are now required to obtain permits to repair broken lines or perform any maintenance. The minimum fee is \$45 per repair, we will need to shut down the system while waiting for them to approve the permit and then update the entire line in that section to meet present code. This would be an extreme inconvenience to our customers. One of the county roads supervisors told me that every line needs to be removed from the county easement and moved to private easements. This would be impossible because the services need to cross the roads to reach each customer on the opposite side of the road. The county assessor claims they are not county owned but are "dedicated for public use" but the roads division argues that this term means "county owned". With the number of repairs this system requires these fees and down time for the system will become a significant expense and inconvenience for our customers.

It is quite obvious that this system will need significant improvements over the next several years. It is our desire to perform these repairs with the least impact on our customers. We live in this area and are customers of this system and we feel a responsibility to our neighbors. The system ended the year with a net income of \$263. The poor financial status of the system will not allow for our requested improvements. With rising fuel costs and the affect that this has had on the cost of everything, we cannot foresee performing any of the necessary improvements at the present water rates.

Our detailed plan on updating this system includes several progressions:

First is an immediate plan to improve the financial status of the system. Rates need to be increased to a realistic level that reflects the cost of supplying water to this area and bring the net income up to at least 10% of gross revenues or approximately \$2,800 per year.

Second will be to replace meters to show actual usage of water rather than having to estimate during winter months, reducing the systems losses to give a more accurate measurement of system efficiency and/or losses. We need to replace the 94 meters with "touch read" meters over the next 3 years. These meters can later be converted to "radio read" in the three years following. These meters cost \$135 each and will cost \$50-\$100 to install depending on depth and location. This comes to \$4,230 per year for the meters and approximately \$2,350 per year in installation costs totaling \$6,580 per year .

Third is to provide a long term plan to improve the overall reliability of the system by replacing outdated lines and placing them at proper depths and locations to prevent freezing and breakage. Our 10 year plan for replacing main lines at a estimated \$100,000 or \$10,000 per year.

The total increase would be \$19,380 per year or an average of \$17.18 increase per customer per month. To determine the proposed rate increase we have calculated that 74.14% of gross revenue comes from the base rate, 3.20% comes from late fees and 22.66% comes from usage fees. To generate the needed \$19,380 the base rate will have to increase by \$14,368 yearly or \$12.74 per month per customer. The late fees will need to be increased \$5.00. The calculated increase is \$3.23 per late fee charged last year but with the increased fee more people will pay on time. Finally, usage rates will need to be increased by 64.55% to generate the remaining \$4,392 needed.

Please consider that we have been somewhat conservative in this request for a rate increase and have

not included the cost of replacing and installing new valves in specific areas to isolate and provide a more continuous service for areas not affected by construction, repairs or maintenance.. We have also not included the cost of replacing the failing pressure tank.

We ask that you consider the necessary improvements and approve the proposed rate increases as requested. Any reduction in the proposed increases will result in reduced service to the customers of this system as stated in the above explanation.

Thank You,

Jeff Daniels

**Utility Systems, LLC. DBA. Gardner Water**  
**Wages for all company operations**  
**January through December 2007**

03/20/08

Type	Date	Name	Memo	Split	Amount
<b>401 - Operating Expenses</b>					
<b>601 - Salaries and Wages - Employees</b>					
<b>603 - Salaries ans Wages - Officers</b>					
Check	1/22/2007	Jeff Daniels	Wages	131.1 - Business Checking	500.00
Check	1/26/2007	Jeff Daniels	Wages	131.1 - Business Checking	175.00
Check	1/29/2007	Jeff Daniels	Wages	131.1 - Business Checking	175.00
Check	2/8/2007	Jeff Daniels	Wages	131.1 - Business Checking	175.00
Check	2/20/2007	Jeff Daniels	Wages	131.1 - Business Checking	350.00
Check	3/14/2007	Jeff Daniels	Wages	131.1 - Business Checking	350.00
Check	3/19/2007	Jeff Daniels	Wages	131.1 - Business Checking	175.00
Check	3/20/2007	Jeff Daniels	Wages	131.1 - Business Checking	175.00
Deposit	3/26/2007	Jeff Daniels	Wages	131.1 - Business Checking	-1,250.00
Check	4/16/2007	Jeff Daniels	Wages	131.1 - Business Checking	350.00
Check	4/24/2007	Jeff Daniels	Wages	131.1 - Business Checking	350.00
Deposit	4/30/2007	Jeff Daniels	Wages	131.1 - Business Checking	-100.00
Check	5/7/2007	Jeff Daniels	Wages	131.1 - Business Checking	175.00
Check	5/10/2007	Jeff Daniels	Wages	131.1 - Business Checking	350.00
Check	5/29/2007	Jeff Daniels	Wages	131.1 - Business Checking	100.00
Check	6/4/2007	Jeff Daniels	Wages	131.1 - Business Checking	70.00
Check	6/6/2007	Jeff Daniels	Wages	131.1 - Business Checking	65.00
Check	6/18/2007	Jeff Daniels	Wages	131.1 - Business Checking	175.00
Check	7/9/2007	Jeff Daniels	Wages	131.1 - Business Checking	9.30
Check	7/13/2007	Jeff Daniels	Wages	131.1 - Business Checking	87.50
Check	7/16/2007	Jeff Daniels	Wages	131.1 - Business Checking	262.50
Check	7/20/2007	Jeff Daniels	Wages	131.1 - Business Checking	70.00
Check	7/25/2007	Jeff Daniels	Wages	131.1 - Business Checking	455.00
Check	7/27/2007	Jeff Daniels	Wages	131.1 - Business Checking	70.00
Check	10/2/2007	Jeff Daniels	Wages	131.1 - Business Checking	175.00
Check	10/31/2007	Jeff Daniels	Wages	131.1 - Business Checking	175.00
Check	11/15/2007	Jeff Daniels	Wages	131.1 - Business Checking	238.56
Deposit	12/13/2007	Jeff Daniels	Wages	131.1 - Business Checking	-150.00
<b>Total 603 - Salaries ans Wages - Officers</b>					<b>3,752.86</b>
<b>604 - Employee Pensions and Benefits</b>					
<b>Continuing Education</b>					
Check	12/19/2007	Eastern Arizona College	Accounting Classes	131.1 - Business Checking	55.00
<b>Total Continuing Education</b>					<b>55.00</b>
<b>Lodging</b>					
Check	2/9/2007	Days Inn	Corp. Comm. Meeting in Valley	131.1 - Business Checking	78.39
<b>Total Lodging</b>					<b>78.39</b>
<b>Meals and Entertainment</b>					
Check	2/8/2007	Dennys	Corp. Comm. Meeting in Valley	131.1 - Business Checking	33.69
<b>Total Meals and Entertainment</b>					<b>33.69</b>
<b>Total 604 - Employee Pensions and Benefits</b>					<b>167.08</b>
<b>Total 601 - Salaries and Wages - Employees</b>					<b>3,919.94</b>
<b>Total 401 - Operating Expenses</b>					<b>3,919.94</b>
<b>TOTAL</b>					<b><u>3,919.94</u></b>

AZ CORP COMMISSION  
DOCKET CONTROL  
2008 MAR 21 P 1:37  
RECEIVED

Duties include repairs, maint., Meter reading, Billing, etc.



# Your electricity bill

Bill date: December 29, 2006

## Summary of what you owe

Amount owing on your previous bill	\$295.69
<b>Less</b> Payment made on Dec 12, thank you	<b>-\$295.69</b>
<b>Equals</b> Your balance forward	<b>\$0.00</b>
<b>Plus</b> Your new charges (details on following pages)	
Cost of electricity (with taxes and fees)	\$341.24
<b>Equals</b> Total amount due	<b>\$341.24</b>

**We will debit your checking or savings account for \$341.24 on January 12, 2007.**

UTILITY SYSTEMS LLC

Your account number: 904765286

For service at: 7 locations

### Questions?

Call 602-371-6767 or 1-800-253-9407,  
 Mon - Fri, 7:30am - 5:00pm  
 Website: aps.com  
 Para servicio en español llame al:  
 602-371-6861 (Phoenix) o  
 1-800-252-9410 (Otras areas)

### Solar Power:

**A**  
 The AP:  
 provides  
 custom  
 heaters  
 home o  
 to learn  
 visit us  
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 call 602-

To be el  
 in APS t  
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Jan	60.76	+
Feb	60.73	+
Mar	85.2	+
Apr	63.34	+
May	70.54	+
Jun	98.77	+
Jul	120.7	+
Aug	136.06	+
Sep	113.07	+
Oct	98.6	+
Nov	89.66	+
Dec	75.31	+

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Page 1 of 10

See page 2 for more information.



Your account number

**904765286**

Bill date

December 29, 2006

Mailing address or phone number change?

Please call 1-800-253-9407.

5453.2.68.17374 2 AV 0.530



UTILITY SYSTEMS LLC  
 HC2 BOX 164-H  
 PAYSON AZ 85541-8380

**You do not need to mail a payment.  
 With SurePay, your payment is  
 automatically deducted from your  
 checking or savings account.**



18 N 15

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THE POWER TO MAKE IT HAPPEN®



Your electricity bill  
December 29, 2006

UTILITY SYSTEMS LLC

Your account number  
904765286

### Summary of charges by service address

Service number	Service address	Total electricity used (kWh)	Billed demand (kW)	Other charges and credits (\$)	Total charges (\$)
7609S90285	Christopher Haven 3 Lot 102s, Payson Utility Systems LLC	1039	0.0	\$0.00	<del>21.58</del>
7760S50289	Christopher Creek Pump 2, Payson Utility Systems LLC	398	2.0	\$0.00	<del>39.18</del>
9728S41284	577 Running Elk Rd Payson Utility Systems LLC	29	0.0	\$0.00	\$21.58
2198S11283	Christopher Haven 3 Lot 17, Payson Utility Systems LLC	177	0.0	\$0.00	<del>21.58</del>
0240S50282	Christopher Haven Lot 12pp, Payson Utility Systems LLC	46	0.0	\$0.00	<del>21.58</del>
3385S60288	Coicord Estates Lot 41pp, Payson Utility Systems LLC	191	2.0	\$0.00	\$39.18
0880S50289	Christopher Creek Pump 1, Payson Utility Systems LLC	74	6.0	\$0.00	<del>21.58</del>
<b>Total</b>		<b>1954</b>		<b>\$0.00</b>	<b>\$341.24</b>

C

21.58 +  
39.18 +  
60.766 +

0.0

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THE POWER TO MAKE IT HAPPEN®



# Your electricity bill

Bill date: January 31, 2007

UTILITY SYSTEMS LLC

Your account number: 904765286

For service at: 7 locations

## Summary of what you owe

Amount owing on your previous bill	\$341.24
<i>Less</i> Payment made on Jan 12, thank you	-\$341.24
<i>Equals</i> Your balance forward	\$0.00
<i>Plus</i> Your new charges (details on following pages)	
Cost of electricity (with taxes and fees)	\$331.91
<i>Equals</i> Total amount due	\$331.91

### Questions?

Call 602-371-8767 or 1-800-253-9407,  
 Mon - Fri, 7:30am - 5:00pm  
 Website: aps.com  
 Para servicio en español llame al:  
 602-371-6861 (Phoenix) o  
 1-800-252-9410 (Otras areas)

**We will debit your checking or savings account  
 for \$331.91 on February 13, 2007.**

### We were unable to read your meter(s)

We were unable to read one or more of your meters this month and had to estimate your meter reading. See detail pages for specific location(s).

Page 1 of 10

See page 2 for more information.

When paying in person, please  
 bring the bottom portion of your bill.



Your account number  
**904765286**

Bill date  
 January 31, 2007

Mailing address or phone number change?  
 Please call 1-800-253-9407.

5655.3.83.17481 2 AV 0.530



UTILITY SYSTEMS LLC  
 HC2 BOX 164-H  
 PAYSON AZ 85541-8380

**You do not need to mail a payment.  
 With SurePay, your payment is  
 automatically deducted from your  
 checking or savings account.**

One or more of your meter readings have  
 been estimated.

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THE POWER TO MAKE IT HAPPEN®

Your electricity bill  
January 31, 2007

UTILITY SYSTEMS LLC

Your account number  
904765288

### Summary of charges by service address

Service number	Service address	Total electricity used (kWh)	Billed demand (kW)	Other charges and credits (\$)	Total charges (\$)
7609S90285	Christopher Haven 3 Lot 102a, Payson Utility Systems LLC	1051	0.0	\$0.00	<del>999.99</del>
7760S50289	Christopher Creek Pump 2, Payson Utility Systems LLC	267	1.0	\$0.00	<del>999.99</del>
9728S41264	577 Running Elk Rd Payson Utility Systems LLC	86	0.0	\$0.00	\$28.51
2198S11283	Christopher Haven 3 Lot 17, Payson Utility Systems LLC	168	0.0	\$0.00	<del>999.99</del>
0240S50282	Christopher Haven Lot 12pp, Payson Utility Systems LLC	26	0.0	\$0.00	<del>999.99</del>
3385S60288	Colcord Estates Lot 41pp, Payson Utility Systems LLC	157	0.0	\$0.00	\$34.22
0860S50289	Christopher Creek Pump 1, Payson Utility Systems LLC	53	0.0	\$0.00	<del>999.99</del>
<b>Total</b>		<b>1808</b>		<b>\$0.00</b>	<b><del>999.99</del></b>

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THE POWER TO MAKE IT HAPPEN®



# Your electricity bill

Bill date: February 28, 2007

UTILITY SYSTEMS LLC

Your account number: 904765286

For service at: 7 locations

### Questions?

Call 802-371-6767 or 1-800-253-9407,

Mon - Fri, 7:30am - 5:00pm

Website: [aps.com](http://aps.com)

Para servicio en español llame al:

802-371-6861 (Phoenix) o

1-800-252-9410 (Otras areas)

## Summary of what you owe

Amount owing on your previous bill	\$331.91
<b>Less</b> Payment made on Feb 13, thank you	<b>-\$331.91</b>
<b>Equals</b> Your balance forward	<b>\$0.00</b>
<b>Plus</b> Your new charges (details on following pages)	
Cost of electricity (with taxes and fees)	\$414.92
<b>Equals</b> Total amount due	<b>\$414.92</b>

**We will debit your checking or savings account for \$414.92 on March 13, 2007.**

### IMPORTANT PALO VERDE INFORMATION

At APS, we want our customers to know that we're dedicated to returning the Palo Verde Nuclear Generating Station to its place as one of the top performing power plants in the United States. To view a letter to customers regarding Palo Verde, as well as an informational Q&A, please visit us online at [aps.com](http://aps.com).

Page 1 of 10

See page 2 for more information.

When paying in person, please bring the bottom portion of your bill.



Your account number

**904765286**

Bill date

February 28, 2007

Mailing address or phone number change?

Please call 1-800-253-9407.

5867.1.18.4237 2 AT 0.545



**You do not need to mail a payment. With SurePay, your payment is automatically deducted from your checking or savings account.**

UTILITY SYSTEMS LLC  
HC2 BOX 184-H  
PAYSON AZ 85541-8380

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THE POWER TO MAKE IT HAPPEN<sup>®</sup>



Your electricity bill  
February 28, 2007

UTILITY SYSTEMS LLC

Your account number  
904765286

### Summary of charges by service address

Service number	Service address	Total electricity used (kWh)	Billed demand (kW)	Other charges and credits (\$)	Total charges (\$)
7609S90285	Christopher Haven 3 Lot 102a, Payson Utility Systems LLC	1141	0.0	\$0.00	<del>0.00</del>
7780S50289	Christopher Creek Pump 2, Payson Utility Systems LLC	632	3.0	\$0.00	<del>0.00</del>
9728S41284	577 Running Elk Rd Payson Utility Systems LLC	83	0.0	\$0.00	\$29.89
2198S11283	Christopher Haven 3 Lot 17, Payson Utility Systems LLC	304	0.0	\$0.00	<del>0.00</del>
0240S50282	Christopher Haven Lot 12pp, Payson Utility Systems LLC	42	1.0	\$0.00	<del>0.00</del>
3385S60288	Colcord Estates Lot 41pp, Payson Utility Systems LLC	317	3.0	\$0.00	\$55.31
0860S50289	Christopher Creek Pump 1, Payson Utility Systems LLC	70	6.0	\$0.00	<del>0.00</del>
<b>Total</b>		<b>2589</b>		<b>\$0.00</b>	<b><del>0.00</del></b>

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THE POWER TO MAKE IT HAPPEN®



Your electricity bill  
March 29, 2007

UTILITY SYSTEMS LLC

Your account number  
904765286

### Summary of charges by service address

Service number	Service address	Total electricity used (kWh)	Billed demand (kW)	Other charges and credits (\$)	Total charges (\$)
7609S90285	Christopher Haven 3 Lot 102s, Payson Utility Systems LLC	1021	0.0	\$0.00	<del>61.00</del>
7760S50289	Christopher Creek Pump 2, Payson Utility Systems LLC	451	2.0	\$0.00	<del>5.00</del>
9728S41284	577 Running Elk Rd Payson Utility Systems LLC	87	0.0	\$0.00	\$26.63
2196S11283	Christopher Haven 3 Lot 17, Payson Utility Systems LLC	232	0.0	\$0.00	<del>5.00</del>
0240S50282	Christopher Haven Lot 12pp, Payson Utility Systems LLC	24	0.0	\$0.00	<del>6.00</del>
3385S80288	Colcord Estates Lot 41pp, Payson Utility Systems LLC	180	2.0	\$0.00	\$36.71
0860S50289	Christopher Creek Pump 1, Payson Utility Systems LLC	92	11.0	\$0.00	<del>5.00</del>
<b>Total</b>		<b>2087</b>		<b>\$0.00</b>	<b><del>117.00</del></b>

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THE POWER TO MAKE IT HAPPEN®



our electricity bill  
April 30, 2007

UTILITY SYSTEMS LLC

Your account number  
904765286

### Summary of charges by service address

Service number	Service address	Total electricity used (kWh)	Billed demand (kW)	Other charges and credits (\$)	Total charges (\$)
309S90285	Christopher Haven 3 Lot 102s, Payson Utility Systems LLC	928	0.0	\$0.00	<del>928.00</del>
760S50289	Christopher Creek Pump 2, Payson Utility Systems LLC	426	2.0	\$0.00	<del>426.00</del>
728S41284	577 Running Elk Rd Payson Utility Systems LLC	31	0.0	\$0.00	\$22.41
198S11283	Christopher Haven 3 Lot 17, Payson Utility Systems LLC	199	0.0	\$0.00	<del>199.00</del>
240S50282	Christopher Haven Lot 12pp, Payson Utility Systems LLC	25	1.0	\$0.00	<del>25.00</del>
385S60288	Colcord Estates Lot 41pp, Payson Utility Systems LLC	268	3.0	\$0.00	\$48.13
860S50289	Christopher Creek Pump 1, Payson Utility Systems LLC	31	2.0	\$0.00	<del>31.00</del>
<b>Total</b>		<b>1908</b>		<b>\$0.00</b>	<del>1908.00</del>

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THE POWER TO MAKE IT HAPPEN®



Your electricity bill  
May 30, 2007

UTILITY SYSTEMS LLC

Your account number  
904765286

### Summary of charges by service address

Service number	Service address	Total electricity used (kWh)	Billed demand (kW)	Other charges and credits (\$)	Total charges (\$)
7609S90285	Christopher Haven 3 Lot 102s, Payson Utility Systems LLC	969	0.0	\$0.00	<del>420.00</del>
7760S50289	Christopher Creek Pump 2, Payson Utility Systems LLC	392	3.0	\$0.00	<del>320.00</del>
9728S41284	577 Running Elk Rd Payson Utility Systems LLC	158	0.0	\$0.00	\$38.41
2198S11283	Christopher Haven 3 Lot 17, Payson Utility Systems LLC	150	0.0	\$0.00	<del>320.00</del>
0240S50282	Christopher Haven Lot 12pp, Payson Utility Systems LLC	27	1.0	\$0.00	<del>320.00</del>
3385S60288	Colcord Estates Lot 41pp, Payson Utility Systems LLC	343	3.0	\$0.00	\$60.36
0860S50289	Christopher Creek Pump 1, Payson Utility Systems LLC	20	2.0	\$0.00	<del>420.00</del>
<b>Total</b>		<b>2059</b>		<b>\$0.00</b>	<b><del>1800.00</del></b>

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THE POWER TO MAKE IT HAPPEN®



# Your electricity bill

Bill date: June 28, 2007

## Summary of what you owe

Amount owing on your previous bill	\$366.54
<i>Less</i> Payment made on Jun 12, thank you	-\$366.54
<i>Equals</i> Your balance forward	\$0.00
<i>Plus</i> Your new charges (details on following pages)	
Cost of electricity (with taxes and fees)	\$554.08
<i>Equals</i> Total amount due	\$554.08

**We will debit your checking or savings account for \$554.08 on July 12, 2007.**

UTILITY SYSTEMS LLC

Your account number: 904765286

For service at: 7 locations

**Questions?**

Call 602-371-6767 or 1-800-253-9407,

Mon - Fri, 7:30am - 5:00pm

Website: [aps.com](http://aps.com)

Para servicio en español llame al:

602-371-6881 (Phoenix) o

1-800-252-9410 (Otras areas)

Page 1 of 10

See page 2 for more information.

When paying in person, please bring the bottom portion of your bill.



Your account number

**904765286**

Bill date

**June 28, 2007**

Mailing address or phone number change?

Please call 1-800-253-9407.

6870.2.68.15801 2 AV 0.437



UTILITY SYSTEMS LLC  
HC2 BOX 164-H  
PAYSON AZ 85541-8380

**You do not need to mail a payment. With SurePay, your payment is automatically deducted from your checking or savings account.**

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THE POWER TO MAKE IT HAPPEN®



Your electricity bill  
June 28, 2007

UTILITY SYSTEMS LLC

Your account number  
904765286

### Summary of charges by service address

Service number	Service address	Total electricity used (kWh)	Billed demand (kW)	Other charges and credits (\$)	Total charges (\$)
7609S90285	Christopher Haven 3 Lot 102s, Payson Utility Systems LLC	1932	0.0	\$0.00	<del>216.44</del>
7760S50289	Christopher Creek Pump 2, Payson Utility Systems LLC	646	3.0	\$0.00	<del>66.00</del>
9728S41284	577 Running Elk Rd Payson Utility Systems LLC	419	0.0	\$0.00	\$66.88
2198S11283	Christopher Haven 3 Lot 17, Payson Utility Systems LLC	140	0.0	\$0.00	<del>66.00</del>
0240S50282	Christopher Haven Lot 12pp, Payson Utility Systems LLC	55	1.0	\$0.00	<del>66.00</del>
3385S60288	Colcord Estates Lot 41pp, Payson Utility Systems LLC	309	3.0	\$0.00	\$53.82
0860S50289	Christopher Creek Pump 1, Payson Utility Systems LLC	26	2.0	\$0.00	<del>66.00</del>
<b>Total</b>		<b>3527</b>		<b>\$0.00</b>	<del>66.00</del>

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THE POWER TO MAKE IT HAPPEN®



# Your electricity bill

Bill date: July 30, 2007

## Summary of what you owe

Amount owing on your previous bill	\$554.08
<b>Less</b> Payment made on Jul 12, thank you	<b>-\$554.08</b>
<b>Equals</b> Your balance forward	<b>\$0.00</b>
<b>Plus</b> Your new charges (details on following pages)	
Cost of electricity (with taxes and fees)	\$643.16
<b>Equals</b> Total amount due	<b>\$643.16</b>

**We will debit your checking or savings account for \$643.16 on August 10, 2007.**

UTILITY SYSTEMS LLC

Your account number: 904765286

For service at: 7 locations

### Questions?

Call 602-371-6787 or 1-800-253-9407,

Mon - Fri, 7:30am - 5:00pm

Website: [aps.com](http://aps.com)

Para servicio en español llame al:

602-371-6861 (Phoenix) o

1-800-252-9410 (Otras areas)

Page 1 of 10

See page 2 for more information.

When paying in person, please bring the bottom portion of your bill.



Your account number

**904765286**

Bill date

**July 30, 2007**

Mailing address or phone number change?

Please call 1-800-253-9407.

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**You do not need to mail a payment. With SurePay, your payment is automatically deducted from your checking or savings account.**

UTILITY SYSTEMS LLC  
HC2 BOX 164-H  
PAYSON AZ 85541-8380

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THE POWER TO MAKE IT HAPPEN®



Your electricity bill  
July 30, 2007

UTILITY SYSTEMS LLC

Your account number  
904765286

### Summary of charges by service address

Service number	Service address	Total electricity used (kWh)	Billed demand (kW)	Other charges and credits (\$)	Total charges (\$)
7609S90285	Christopher Haven 3 Lot 102s, Payson Utility Systems LLC	2292	0.0	\$0.00	<del>73.79</del>
7760S50289	Christopher Creek Pump 2, Payson Utility Systems LLC	693	3.0	\$0.00	<del>62.27</del>
9728S41284	577 Running Elk Rd Payson Utility Systems LLC	433	0.0	\$0.00	\$73.79
2198S11283	Christopher Haven 3 Lot 17, Payson Utility Systems LLC	121	0.0	\$0.00	<del>62.27</del>
0240S50282	Christopher Haven Lot 12pp, Payson Utility Systems LLC	63	1.0	\$0.00	<del>62.27</del>
3385S60288	Coicord Estates Lot 41pp, Payson Utility Systems LLC	343	3.0	\$0.00	\$62.27
0860S50289	Christopher Creek Pump 1, Payson Utility Systems LLC	150	9.0	\$0.00	<del>62.27</del>
<b>Total</b>		<b>4095</b>		<b>\$0.00</b>	<b><del>362.27</del></b>

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THE POWER TO MAKE IT HAPPEN®

# Your electricity bill

Bill date: August 28, 2007

## Summary of what you owe

Amount owing on your previous bill	\$643.16
<b>Less</b> Payment made on Aug 10, thank you	<b>-\$643.16</b>
<b>Equals</b> Your balance forward	<b>\$0.00</b>
<b>Plus</b> Your new charges (details on following pages)	
Cost of electricity (with taxes and fees)	\$423.58
<b>Equals</b> Total amount due	<b>\$423.58</b>

**We will debit your checking or savings account for \$423.58 on September 11, 2007.**

Thank you for your consistent and timely payments. We value your business.

UTILITY SYSTEMS LLC

Your account number: 904765286

For service at: 7 locations

### Questions?

Call 602-371-6787 or 1-800-253-9407,

Mon - Fri, 7:30am - 5:00pm

Website: [aps.com](http://aps.com)

Para servicio en español llame al:

602-371-6861 (Phoenix) o

1-800-252-9410 (Otras areas)

### Beware of Credit Card Scams

Never give your credit card information over the telephone unless you are sure you know who you are dealing with or you have placed the call yourself. Identity thieves are skilled at posing as representatives of banks, Internet service providers, or even your utility. Although APS customers can pay their bill with a credit card through a third-party vendor, APS does not call customers requesting credit card information. If you receive a phone call asking for credit or debit card information from someone claiming to be an APS representative, hang up and call APS or file a complaint with the Federal Trade Commission by calling their hotline at 1-877-IDTHEFT (1-877-438-4338).

Page 1 of 10

See page 2 for more information.

When paying in person, please bring the bottom portion of your bill.



Your account number

**904765286**

Bill date

**August 28, 2007**

Mailing address or phone number change?

Please call 1-800-253-9407.

7425.2.58.13982 2 AV 0.437



UTILITY SYSTEMS LLC  
HC2 BOX 164-H  
PAYSON AZ 85541-8307

**You do not need to mail a payment. With SurePay, your payment is automatically deducted from your checking or savings account.**

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THE POWER TO MAKE IT HAPPEN®



Your electricity bill  
August 28, 2007

UTILITY SYSTEMS LLC

Your account number  
904765286

### Summary of charges by service address

Service number	Service address	Total electricity used (kWh)	Billed demand (kW)	Other charges and credits (\$)	Total charges (\$)
7809S90285	Christopher Haven 3 Lot 102s, Payson Utility Systems LLC	434	0.0	\$0.00	<del>57.65</del>
7760S50289	Christopher Creek Pump 2, Payson Utility Systems LLC	593	3.0	\$0.00	<del>55.42</del>
9728S41284	577 Running Elk Rd Payson Utility Systems LLC	289	0.0	\$0.00	\$57.65
2198S11283	Christopher Haven 3 Lot 17, Payson Utility Systems LLC	118	0.0	\$0.00	<del>57.65</del>
0240S50282	Christopher Haven Lot 12pp, Payson Utility Systems LLC	34	1.0	\$0.00	<del>55.42</del>
3385S80288	Colcord Estates Lot 41pp, Payson Utility Systems LLC	272	3.0	\$0.00	\$55.42
0860S50289	Christopher Creek Pump 1, Payson Utility Systems LLC	533	9.0	\$0.00	<del>57.65</del>
<b>Total</b>		<b>2273</b>		<b>\$0.00</b>	<del>57.65</del>

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THE POWER TO MAKE IT HAPPEN®



# Your electricity bill

Bill date: September 27, 2007

## Summary of what you owe

Amount owing on your previous bill	\$423.58
<i>Less</i> Payment made on Sep 11, thank you	-\$423.58
<i>Equals</i> Your balance forward	\$0.00
<i>Plus</i> Your new charges (details on following pages)	
Cost of electricity (with taxes and fees)	\$485.23
<i>Equals</i> Total amount due	\$485.23

**We will debit your checking or savings account for \$485.23 on October 11, 2007.**

UTILITY SYSTEMS LLC

Your account number: 904765286

For service at: 7 locations

**Questions?**

Call 602-371-6767 or 1-800-253-9407,

Mon - Fri, 7:30am - 5:00pm

Website: [aps.com](http://aps.com)

Para servicio en español llame al:

602-371-6861 (Phoenix) o

1-800-252-9410 (Otras areas)

Page 1 of 10

See page 2 for more information.

When paying in person, please bring the bottom portion of your bill.



Your account number

**904765286**

Bill date

**September 27, 2007**

Mailing address or phone number change?

Please call 1-800-253-9407.

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**You do not need to mail a payment. With SurePay, your payment is automatically deducted from your checking or savings account.**

UTILITY SYSTEMS LLC  
HC2 BOX 164-H  
PAYSON AZ 85541-8307

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THE POWER TO MAKE IT HAPPEN®

Your electricity bill  
September 27, 2007

UTILITY SYSTEMS LLC

Your account number  
904765286

### Summary of charges by service address

Service number	Service address	Total electricity used (kWh)	Billed demand (kW)	Other charges and credits (\$)	Total charges (\$)
7609S90285	Christopher Haven 3 Lot 102s, Payson Utility Systems LLC	1517	0.0	\$0.00	<del>98.66</del>
7760S50289	Christopher Creek Pump 2, Payson Utility Systems LLC	344	3.0	\$0.00	<del>98.66</del>
9728S41284	577 Running Elk Rd Payson Utility Systems LLC	341	0.0	\$0.00	\$61.92
2198S11283	Christopher Haven 3 Lot 17, Payson Utility Systems LLC	137	0.0	\$0.00	<del>98.66</del>
0240S50282	Christopher Haven Lot 12pp, Payson Utility Systems LLC	50	1.0	\$0.00	<del>98.66</del>
3385S60288	Colcord Estates Lot 41pp, Payson Utility Systems LLC	148	3.0	\$0.00	\$36.68
0860S50289	Christopher Creek Pump 1, Payson Utility Systems LLC	158	9.0	\$0.00	<del>98.66</del>
<b>Total</b>		<b>2693</b>		<b>\$0.00</b>	<del>98.66</del>

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THE POWER TO MAKE IT HAPPEN®



# Your electricity bill

Bill date: October 26, 2007

## Summary of what you owe

Amount owing on your previous bill	\$485.23
<b>Less</b> Payment made on Oct 11, thank you	<b>-\$485.23</b>
<b>Less</b> Surepay discount	<b>-\$0.48</b>
<b>Equals</b> Your balance forward	<b>-\$0.48</b>
<b>Plus</b> Your new charges (details on following pages)	
Cost of electricity (with taxes and fees)	\$397.26
<b>Equals</b> Total amount due	<b>\$396.78</b>

**We will debit your checking or savings account for \$396.78 on November 8, 2007.**

UTILITY SYSTEMS LLC

Your account number: 904765286

For service at: 7 locations

### Questions?

Call 602-371-6767 or 1-800-253-9407,

Mon - Fri, 7:30am - 5:00pm

Website: [aps.com](http://aps.com)

Para servicio en español llame al:

602-371-6861 (Phoenix) o

1-800-252-9410 (Otras areas)

### New Savings for SurePay Customers

Beginning this month, a 48 cent discount will be applied to your bill for participating in SurePay. This monthly discount was approved by the Arizona Corporation Commission and reflects the reduced cost of processing payments for customers enrolled in our automatic monthly payment programs.

Page 1 of 10

See page 2 for more information.

When paying in person, please bring the bottom portion of your bill.



Your account number

**904765286**

Bill date

**October 26, 2007**

Mailing address or phone number change?

Please call 1-800-253-9407.

8029.2.68.16274 2 AV 0.437



**You do not need to mail a payment. With SurePay, your payment is automatically deducted from your checking or savings account.**

UTILITY SYSTEMS LLC  
HC2 BOX 164-H  
PAYSON AZ 85541-8307

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THE POWER TO MAKE IT HAPPEN®



Your electricity bill  
October 26, 2007

UTILITY SYSTEMS LLC

Your account number  
904765286

### Summary of charges by service address

Service number	Service address	Total electricity used (kWh)	Billed demand (kW)	Other charges and credits (\$)	Total charges (\$)
7609S90285	Christopher Haven 3 Lot 102s, Payson Utility Systems LLC	1176	0.0	\$0.00	<del>976.00</del>
7760S50289	Christopher Creek Pump 2, Payson Utility Systems LLC	274	2.0	\$0.00	<del>324.00</del>
9726S41284	577 Running Elk Rd Payson Utility Systems LLC	253	0.0	\$0.00	\$51.16
2198S11283	Christopher Haven 3 Lot 17, Payson Utility Systems LLC	170	0.0	\$0.00	<del>200.00</del>
0240S50282	Christopher Haven Lot 12pp, Payson Utility Systems LLC	36	1.0	\$0.00	<del>40.00</del>
3385S60288	Colcord Estates Lot 41pp, Payson Utility Systems LLC	157	3.0	\$0.00	\$38.74
0860S50289	Christopher Creek Pump 1, Payson Utility Systems LLC	56	7.0	\$0.00	<del>60.00</del>
<b>Total</b>		<b>2122</b>		<b>\$0.00</b>	<b><del>1400.00</del></b>

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THE POWER TO MAKE IT HAPPEN®



Your electricity bill  
November 29, 2007

UTILITY SYSTEMS LLC

Your account number  
904765286

### Summary of charges by service address

Service number	Service address	Total electricity used (kWh)	Billed demand (kW)	Other charges and credits (\$)	Total charges (\$)
7609S90285	Christopher Haven 3 Lot 102s, Payson Utility Systems LLC	1073	0.0	\$0.00	<del>92.00</del>
7760S50289	Christopher Creek Pump 2, Payson Utility Systems LLC	326	2.0	\$0.00	<del>92.00</del>
9728S41284	577 Running Elk Rd Payson Utility Systems LLC	78	0.0	\$0.00	\$27.85
2198S11283	Christopher Haven 3 Lot 17, Payson Utility Systems LLC	240	0.0	\$0.00	<del>92.00</del>
0240S50282	Christopher Haven Lot 12pp, Payson Utility Systems LLC	21	1.0	\$0.00	<del>92.00</del>
3385S60288	Colcord Estates Lot 41pp, Payson Utility Systems LLC	253	3.0	\$0.00	\$47.70
0860S50289	Christopher Creek Pump 1, Payson Utility Systems LLC	47	8.0	\$0.00	<del>92.00</del>
<b>Total</b>		<b>2038</b>		<b>\$0.00</b>	<del>92.00</del>

*282.34 CC*  
*75.076*

27.85 +  
47.7 +  
75.550 +  
  
0.24 -  
0.247 +  
  
75.3100



Parts For Waterline  
Defreeze Machine

THE HOME DEPOT 0422  
2000 NORTH BEELINE HWY  
PAYSON, AZ 85541 (928)468-0339

SALE 0422 00013 72895 01/29/07  
41 TFT91J 01:10 PM



Parts & Supplies  
Used to Unfreeze  
Water Lines

013158389996	MICROTUBE <A>	
<del>205.97</del>		11.94
030192083307	5GALLON KERO <A>	33.97
4710614160019	150FT HOSE <A>	
<del>2029.00</del>		58.00
685768236375	1/4RFCPTB50' <A>	
<del>3034.92</del>		104.76
046878582712	BRSSHOFPCPLG <A>	3.91
013158800002	BARB <A>	4.96
048643070363	1/4COMPUNION <A>	
<del>402.43</del>		9.72
048643070455	1/4X1/2CCNCT <A>	3.50
048643071926	ADAPTER <A>	3.16
032888050037	1/2 STOP VLV <A>	4.35
013204202309	KEROS HRT <A>	124.00
	SUBTOTAL	362.27
	SALES TAX	31.59
	TOTAL	\$393.86
XXXXXXXXXXXX3864	VISA	393.86
AUTH CODE 061215/7130024		TA



0422 13 72895 01/29/2007 8422

RETURN POLICY DEFINITIONS  
POLICY ID DAYS POLICY EXPIRES ON  
A 1 90 04/29/2007

THE HOME DEPOT RESERVES THE RIGHT TO  
LIMIT / DENY RETURNS. PLEASE SEE THE  
RETURN POLICY SIGN IN STORES FOR  
DETAILS.

NOW HIRING SPRING SEASON ASSOCIATES  
PT/FT APPLY TODAY IN-STORE OR ON-LINE  
AT: STORECAREERS.HOMEDEPOT.COM/HOURLY  
\*\*\*\*\*

ENTER FOR A CHANCE  
TO WIN A \$5,000  
HOME DEPOT GIFT  
CARD!

Your Opinion Counts! Complete  
the brief survey about your store visit  
and enter for a chance to win at:

[www.homedepotopinion.com](http://www.homedepotopinion.com)

¡PARTICIPE EN UNA  
OPORTUNIDAD DE GANAR





# INVOICE

**Remit To:** Aquatic Consulting & Testing, Inc.  
P.O. Box 1510  
Tempe, Arizona 85280-1510  
(480) 921-8044

**Invoice Number:** 075 13990  
**Invoice Date:** January 31, 2007  
**P.O. Number:** State Form 04-038  
**Project Name:** SDWA Gardner Wtr

**Client:** Gardner Water Company  
c/o Utility Systems  
HC 2 Box 164-H  
Payson, AZ 85541  
Jeff Daniels

**Samples:** BN12202 BN13517 BN14924  
4<sup>th</sup> Quarter 2006

ADVICE  
2-8-7

Analysis Name	Quantity	Unit Price	Total Price
Total Coliform, Coliform	3	\$10.00	\$30.00
Invoice Total			\$ 30.00

Pd  
6-7-07  
CR# 1042

# INVOICE

**Remit To:** Aquatic Consulting & Testing, Inc.  
P.O. Box 1910  
Tempe, Arizona 85280-1510  
(480) 921-8044

**Invoice Number:** 075 14773  
**Invoice Date:** May 7, 2007  
**P.O. Number:** State Form 04-038  
**Project Name:** SDWA Gardner Wtr

**Client:** Gardner Water Company  
c/o Utility Systems  
HC 2 Box 164-H  
Payson, AZ 85541  
Jeff Daniels

**Samples:** BP00753 BP01385 BP02596  
1<sup>st</sup> Quarter 2007

Analysis Name	Quantity	Unit Price	Total Price
Total Coliform, Coliart	3	\$10.00	\$30.00
Invoice Total			\$ 30.00

c/o

# INVOICE

**Remit To:** Aquatic Consulting & Testing, Inc.  
P.O. Box 1610  
Tempe, Arizona 85280-1510  
(480) 921-8044

**Invoice Number:** 075 15603  
**Invoice Date:** August 3, 2007  
**P.O. Number:** State Form 04-038  
**Project Name:** SDWA Gardner Wtr

**Client:** Gardner Water Company  
c/o Utility Systems  
HC 2 Box 164-H  
Payson, AZ 85541  
Jeff Daniels

**Samples:** BP04733 BP05731 BP06962  
04/19/07

Analysis Name	Quantity	Unit Price	Total Price
Total Coliform, Colifert	3	\$10.00	\$30.00
Invoice Total			\$ 30.00

**PAID**  
08/11/07

VISA - *ty*

# INVOICE

**Remit To:** Aquatic Consulting & Testing, Inc.  
P.O. Box 1510  
Tempe, Arizona 85280-1510  
(480) 921-8044

**Invoice Number:** 075 17089  
**Invoice Date:** November 20, 2007  
**P.O. Number:** State Form 04-038  
**Project Name:** SDWA Gardner Wtr

**Client:** Gardner Water Company  
c/o Utility Systems  
HC 2 Box 164-H  
Payson, AZ 85541  
Jeff Daniels

**Samples:** BP08622 BP10301 BP12259  
3<sup>rd</sup> Quarter 2007

Analysis Name	Quantity	Unit Price	Total Price
Total Coliform, Colifert	3	\$20.00	\$60.00
Invoice Total			\$ 60.00

**PAID**  
DEC 1 2007

# INVOICE

**Remit To:** Aquatic Consulting & Testing, Inc.  
P.O. Box 1510  
Tempe, Arizona 85280-1510  
(480) 921-8044

**Invoice Number:** 075 17052  
**Invoice Date:** November 19, 2007  
**P.O. Number:** C.O.C.  
**Project Name:** FWS #04-038

**Client:** Gardner Water Company  
HC 2 Box 164-H  
Payson, AZ 85541

Jeff Daniels

**Samples:** BP12266 BP12269 BP12270 BP12271 BP12272  
09/26/07

Analysis Name	Quantity	Unit Price	Total Price
Lead	5	\$15.00	\$75.00
Copper	5	\$15.00	\$75.00
<b>Invoice Total</b>			<b>\$ 150.00</b>

**PAID**  
DEC 17 2007

210

DUDLEY & HOLOMON, INC.  
3500 N 15TH AVENUE  
PHOENIX, AZ 85015-5537  
602-248-0797

MAY 8, 2007

UTILITY SYTEMS, LLC  
173 SOUTH BLACK FOOT ROAD  
PAYSON, AZ 85541-8380

PROFESSIONAL SERVICES RENDERED IN THE PREPARATION OF YOUR 2006  
S CORPORATION RETURNS, INCLUDING:

FORM 1120S, U.S. INCOME TAX RETURN FOR AN S CORPORATION  
SCHEDULE K-1, SHAREHOLDER'S SHARE OF INCOME, ETC  
FORM 4562, DEPRECIATION AND AMORTIZATION  
FORM 7004, APPLICATION FOR EXTENSION OF TIME TO FILE  
FORM 8879-S, IRS E-FILE SIG AUTHORIZATION FOR FRM 1120S  
ALTERNATIVE MINIMUM TAX DEPRECIATION REPORT  
SHAREHOLDER BASIS WORKSHEET  
AZ 120S, TAX RETURN FOR AN S CORPORATION  
AZ SCHEDULE K-1, SHAREHOLDER'S SHARE OF INCOME, ETC  
AZ 120EXT, APPLICATION FOR EXTENSION OF TIME TO FILE

TAX PREPARATION FEE

\$ 1900.00

C  
Gardner 950. +  
CCHW 950. +  
1,900.00+  
0.0

Posting Date: 2007-07-26  
 Sequence #: 5340118315  
 Account #: 723367728  
 Routing Transit: 12210002  
 Amount #: \$869.92  
 Check/Serial #: 000000001055  
 Bank #: 601  
 Tran Code: 000000  
 IRD: 0  
 ItemType: P  
 BOFD: 111900057

2/ 36405  
**UTILITY SYSTEMS LLC** 07-06 1055  
 173 S BLACKFOOT RD.  
 HC 2, BOX 184-H  
 PAYSON, AZ 85541

DATE 7-24-07 ⑈248

PAY TO THE ORDER OF Gila County Treasurer \$869.92  
Eight hundred Sixty Nine and 92/100 DOLLARS

**CHASE**  
 JP Morgan Chase Bank, N.A.  
 Phoenix, Arizona 85073  
 www.Chase.com

FOR GWC Property Taxes J. M. 300

⑈001055⑈ ⑆122100024⑆ 723367728⑈ ⑈0000086992⑈

7/26/07

JP MORGAN CHASE BANK, N.A.  
 FORT WORTH, TX 76102  
 ⑈1119013314 614 4366 01⑈  
 5340118315

6024 02000

BANK USE ONLY  
 PROCEED TO  
 ⑈12100024⑆  
 FOR DEPOSIT ONLY  
 GILA COUNTY TREASURER  
 ⑈11800047⑈

Posting Date: 2007-11-15  
 Sequence #: 5140398628  
 Account #: 723367728  
 Routing Transit: 12210002  
 Amount #: \$862.53  
 Check/Serial #: 000000001067  
 Bank #: 601  
 Tran Code: 000000  
 IRD: 0  
 Item Type: P  
 BOFD: 111900057

UTILITY SYSTEMS LLC 07-08 173 S BLACKFOOT RD. HC 2, BOX 184-M PAYSON, AZ 85541		1/2 36834	1067
		DATE 11-14-07	REZAB 151
PAY TO THE ORDER OF	Gila County Treasurer	\$ 862.53	
Eight hundred sixty two and 53/100		DOLLARS	
CHASE Morgan Chase Bank, N.A. Phoenix, Arizona 85073 www.chase.com			
FOR	Garber Prop. Taxes, Tax Roll # 36834	9/30/07	
#001067# 1221000240		723367728#	#0000088253#

NOV 15 07 11  
 5140398628

6019 99148

BANK ONE AIRPORT BR  
 PHOENIX, AZ, USA  
 1221000240  
 FOR DEPOSIT ONLY  
 GILA COUNTY TREASURER  
 11804047

rd Copy

**Gila County Treasurer**

**Owner**

Friday, February 25, 2008

**Debora Savage**

PO Box 1093

Globe, AZ 85502

Phone:(928) 425-3231 x8703 or x8702, Fax:(928) 425-7268

dsavage@co.gila.az.us

Gardner Water Company C/O Jeffrey T. E TOTAL VALUE OF OPERATING PROPERTY 303-19-041 826  
Hc 2, Box 164-h

Payson, Az AZ 85541

**reel ID: 941-40-511**

**Figures below based on 02/25/2008**

Account #	Roll #	Status	Taxes	CP Amount	Fee(s)	Interest	Payments	Balance Due
07	36834	Tax	\$1,702.36	\$0.00	\$0.00	\$11.35	\$862.53	\$851.18
Payments:								
	1/15/2007	Gardner Water Con	\$851.18			\$11.35	\$862.53	
06	36405	Tax	\$1,672.92	\$0.00	\$0.00	\$33.46	\$1,706.38	\$0.00
Payments:								
	1/02/2006	11/02/2006	\$836.46				\$836.46	
	7/26/2007	UTILITIES SYSTE	\$836.46			\$33.46	\$869.92	
05	36036	Tax	\$1,546.30	\$0.00	\$0.00	\$0.00	\$1,546.30	\$0.00
Payments:								
	0/26/2005	Jnj Enterprises C/	\$1,546.30				\$1,546.30	
04	35867	Tax	\$1,460.52	\$0.00	\$0.00	\$0.00	\$1,460.52	\$0.00
Payments:								
	0/26/2004	Jnj Enterprises C/	\$1,460.52				\$1,460.52	
			<b>\$6,382.10</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$44.81</b>	<b>\$5,575.73</b>	<b>\$851.18</b>