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GROOM CREEK WATER USERS ASSOCIATION

4209 S. Adeline Drive
Prescott, Arizona 86303
Phone: 928-443-8654

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AZ CORP COMMISSION
DOCKET CONTROL

9 April 2008

ARIZONA CORPORATION COMMISSION
Hearings Division
1200 W. Washington Street
Phoenix, AZ 85007

Re: Docket Number W-01865A-07-0385 ~~W-01865A-07-0385~~
W-01865A-07-0384

As required by Procedural Order dated 18 March 2008, we hereby certify that the **Public Notice of Hearing on the Consolidated Applications of Groom Creek Water Users Association for an Increase in Rates and for Approval of Financing and Rate Changes** was mailed to each Association member on 31 March 2008. (See Atch 1) Furthermore, the Public Notice was printed the Prescott Daily Courier on Sunday, 30 March and Monday, 31 March 2008. (Atch 2) In addition, because there was a typographical error in the printed copy, the corrected notice was again published in the Thursday, 3 April 2008 and Friday, 4 April 2008 editions of the Courier. (Atch 3)

Sincerely,


Jerry D. Hodgson
President, Board of Directors

- Atch: 1. Ltr to Members w/Notice
2. Affidavit of Publication, 31 Mar 2008
3. Affidavit of Publication, 4 Apr 2008

Arizona Corporation Commission

DOCKETED

MAY -5 2008

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To: Groom Creek Water Users Association Members
From: Board of Directors
Subject: Water Rate Increase
Date: April 1, 2008

As you know, your Board of Directors has requested an increase in the water base rate to \$ 42.00 per month. This is required to finance the main line replacement project utilizing a credit line of \$ 500,000.00. We are all aware that the 50 year old transite piping has deteriorated and must be replaced. Unfortunately, Yavapai County has scheduled the roads in Groom Creek to be paved over the next four years with Stagecoach Rd. originally scheduled for last year. The cost to replace the water main after the roads are paved is extremely high. The base rate the Board is requesting is similar to the amounts other water companies in our area charge for their water per month.

The Arizona Corporation Commission Staff has recommended a rate increase of \$ 22.50 instead of the \$ 42.00 requested amount. They are also suggesting a 20 year fixed rate loan as financing. Your Board of Directors has requested a credit line and a rate that would allow for repayment in 10 years. This would save the association over \$ 275,000.00 in interest costs and at the same time possibly allow for other projects to be undertaken. As a result the Board of Directors has rejected the Staff report at a procedural meeting held on March 5, 2008 and has requested a full hearing by the commissioners. This meeting will be held on May 15, 2008 at 1:00p.m. at 1200 W. Washington St., Phoenix, Az. The commissioners can throw out the Staff report, accept our request, or do anything in between.

Unfortunately, there has been no requested base rate increases in 28 years to help defray the costs of infrastructure upgrades that we now face. The ACC Staff only considers the current rate and the percentage increases of the proposed rate. Our requested rate exceeds their normal percentage increase, but our rate of \$ 42.00 is required for us to start financing the new pipeline project now. In order to convince the commission that our situation is an extraordinary exception to their normal rate percentage increase your Board of Directors urgently needs your support. The commissioners are very sensitive to the opinions of the membership and letters or phone calls sent to the commission in support of our proposed rate increase and financial plan can help sway them in our favor. None of us likes to pay more for utilities including your board. We understand how difficult it is to be asked to pay more for the water you use, but if we do not pull together to upgrade the water system now, we will be faced with line replacement or huge water repair costs in the future with possible periods of no water, and no money to pay to fix the problems that come with an antiquated system. The longer we wait the more inflation will increase the cost to the members.

Enclosed is a copy of the public notice regarding the hearing along with a short letter that you can sign and mail to the commission with a place to write any additional comments. A stamped envelope is also included for your convenience. Please take the time to send this letter out now. They must be received prior to April 21, 2008. You may also telephone your comments to the ACC at 1-800-222-7000, or 602-542-4251. If you call, reference the Groom Creek Rate Request and the docket number on the enclosed letter.

Your water system is the primary utility that makes Groom Creek a great place to live. With an updated water system, Groom Creek can continue giving each member the quality water and service they have received in the past. Without an updated water system, we can all look forward to periods of no water due to leaks and broken mains, as well as not having the financing to replace the broken pipes that deliver water to your home.

We want to thank you in advance for your support of this critical project.

Sincerely,

Your Board of Directors

ATCH 1

**PUBLIC NOTICE OF HEARING ON THE CONSOLIDATED APPLICATIONS OF GROOM
CREEK WATER USERS ASSOCIATION FOR AN INCREASE IN RATES AND FOR
APPROVAL OF FINANCING AND RATE CHANGES.
(DOCKET NUMBER W-01865A-07-0385 ET AL**

On June 25, 2007, Groom Creek Water Users Association ("Company" or "Groom Creek") filed an application with Arizona Corporation Commission ("Commission") for an increase in its water rates. On the same date, Groom creek filed an application in Docket No. W-01865A-07-0384 requesting approval for financing. On November 30, 2007, the Commission consolidated the two dockets and the timeclock was suspended. The Commission's Utilities Division ("Staff") has recommended approval of Company's applications; however, the Commission is not bound by the proposals made by the Company, Staff, or any intervenors. The Commission will issue a decision regarding the Company's application following consideration of testimony and evidence presented at an evidentiary hearing. Copies of the applications are available at the Company's offices, 1018 E. Stagecoach Rd., Groom Creek, and the Commission's offices at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the internet via the Commission website (www.azcc.gov) using the e-docket function.

The Commission will hold a hearing on this matter beginning **May 15, 2008 at 1:00 p.m.**, at the Commission's offices, 1200 West Washington, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted via email (visit <http://www.azcc.gov/utility/cons/index.htm> for instructions), or by mailing a letter referencing Docket Number W-01865A-07-0385 ET AL to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ. 85007.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you would like to intervene, you must file a written motion to intervene with the Commission, and you must send copies of the motion to the Company or its counsel, and to all parties of record in the case. Your motion to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any party upon whom documents are to be served in your place, if desired;
2. A short statement of your interest in the proceeding (e.g., a customer of the Company, a shareholder of the Company, etc.) and
3. A statement certifying that a copy of your motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A. A.C. R14-3-105, except that all motions to intervene must be filed on or before April 21, 2008. If representation by counsel is required by Rule 31 of the rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Arizona Corporation Commission's webpage at <http://www.azcc.gov/utility/forms/index.htm>. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However failure to intervene will not preclude any customer from appearing at the hearing and making a statement on such customer's own behalf.

If you have any questions about this application, you may contact the Company at 928-717-4495. If you wish to file written comments on the application or want further information on intervention you may contact Consumer Services Section of the Commission at 1200 W. Washington St., Phoenix, Az. 85007, or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator Linda Hogan, E-mail Lhogan@lzcc.gov, voice phone number 602/542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

AFFIDAVIT OF PUBLICATION

STATE OF ARIZONA)
County of Yavapai) ss.

I, **Aileen Kemper**, being first duly sworn on her oath says:
That she is the **Classified Coordinator** of **PRESCOTT NEWSPAPERS, INC.**, an Arizona corporation, which owns and publishes the **COURIER**, a Daily Newspaper published in the City of Prescott, County of Yavapai that the notice attached hereto, namely,

PUBLIC NOTICE OF HEARING ON THE CONSOLIDATED APPLICATIONS OF GROOM CREEK WATER USERS ASSOCIATION FOR AN INCREASE IN RATES AND FOR APPROVAL OF FINANCING AND RATE CHANGES.

(DOCKET NUMBER W-01865A-07-0385 ET AL

has, to the personal knowledge of affidavit, been published in the news paper aforesaid, according to law, on 30 day of **MARCH, 2008** to 31 day of **MARCH, 2008** both inclusive without change, interruption or omission, amounting in all 2 insertions, made on the following dates:
MARCH 30, 31, 2008

By: 
Dated this 31 Day of **MARCH, 2008**

By: 
Notary Public

My commission expires:



PUBLIC NOTICE OF HEARING ON THE CONSOLIDATED APPLICATIONS OF GROOM CREEK WATER USERS ASSOCIATION FOR AN INCREASE IN RATES AND FOR APPROVAL OF FINANCING AND RATE CHANGES. (DOCKET NUMBER W-01865A-07-0385 ET AL

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2TC PUB March 30, 31, 2008

ARCH 2

AFFIDAVIT OF PUBLICATION

STATE OF ARIZONA)
County of Yavapai) ss.

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That she is the **Classified Coordinator** of **PRESCOTT NEWSPAPERS, INC.**, an Arizona corporation, which owns and publishes the **COURIER**, a Daily Newspaper published in the City of Prescott, County of Yavapai that the notice attached hereto, namely,

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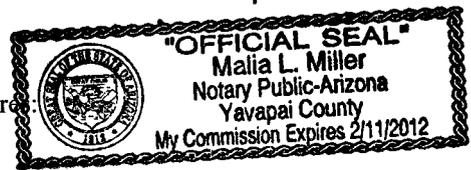
(DOCKET NUMBER W-01865A-07-0385 ET AL

has, to the personal knowledge of affidavit, been published in the news paper aforesaid, according to law, on 3 day of **APRIL, 2008** to 4 day of **APRIL, 2008** both inclusive without change, interruption or omission, amounting in all 2 insertions, made on the following dates:
APRIL 3, 4, 2008

By: _____
Dated this 4 Day of **APRIL, 2008**

By: Malia L Miller
Notary Public

My commission expires:



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