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ORIGINAL

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2008 JUL 29 P 3:25

AZ CORP COMMISSION
Appaloosa Water Company

Amendment to Rate Increase Application

File/Docket Number
W-03443 A-08-0313

Arizona Corporation Commission
DOCKETED

JUL 29 2008

DOCKETED BY	MM
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This Amendment to our original Rate Application is in response to Letter of Deficiency, dated 07/21/2008.

This packet contains, the list of deficiencies cited on 07/21/2008 and all corrected pages.

**APPALOOSA WATER COMPANY
DOCKET NO. W-03443A-08-0313
TEST YEAR ENDED DECEMBER 31, 2007**

ATTACHMENT OF DEFICIENCIES (07/21/2008)

The entire application is deficient because the Company is a Class C utility and the rate increase application is filed on forms for a Class D or E utility.

However Staff is willing to waive this requirement if all of the deficiencies listed below are corrected in a timely manner.

- 1.1 Please furnish the completed page 1 of the application.
- 1.2 Page 6. On page 6 and page 18, the number of total customers stated on these pages are not the same. Please reconcile and submit correct page(s).
- 1.3 Page 18. The application states on page 16 that the system has 26 fire hydrants. On page 18 the question pertaining to fire hydrants was not completed. Please complete this question and submit a new page 18.
- 1.4 The bill count for the test year generates a different amount of revenue than shown on page 19, Schedule C-1. They should be the same. Please reconcile.
- 1.5 The bill count proposed revenue generates a different amount of proposed revenue than the proposed revenue shown on page 6. They should be the same. Please reconcile.
- 1.6 Please provide the invoices for water testing for the period of September through December 2007.
- 1.7 Please provide the Arizona Department of Environmental Quality MAP invoice.

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)

STATEMENTS IN SUPPORT OF RATE REQUEST

Complete the following statements in support of your rate request.

APPALOOOSA WATER COMPANY (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 12-31-2007 (mm/dd/yy). The Company had total operating revenues of \$ 162,489, served 237 metered and 0 un-metered customers, and sold 27,544,949 gallons of water during the Test Year.

The Company is requesting a(n) increase/decrease in revenues in the amount of \$ 162,489. Total annual operating revenues, if the Company is granted the rate adjustment, will be \$ 324,978.

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

The Company notified its customers o

f its application for a rate adjustment on 6-18-08 (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.

COMPANY NAME: APPALLOSA WATER COMPANY Test Year Ended: 2007
 Name of System: APPALLOSA WATER ADEQ Public Water System Number: 13208

WATER USE DATA SHEET BY MONTH FOR TEST YEAR

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	236	1,501,310	1,501,310	0
FEBRUARY	236	1,140,540	1,140,540	0
MARCH	236	1,792,330	1,792,330	0
APRIL	236	2,252,940	2,252,940	0
MAY	237	3,139,640	3,139,640	0
JUNE	237	3,271,150	3,271,150	0
JULY	238	3,134,490	3,134,490	0
AUGUST	238	3,077,150	3,077,150	0
SEPTEMBER	238	2,647,989	2,647,989	0
OCTOBER	238	2,378,550	2,378,550	0
NOVEMBER	238	2,113,950	2,113,950	0
DECEMBER	237	1,094,910	1,094,910	0
TOTALS →		*27,544,949	**27,544,949	0

What is the level of arsenic for each well on your system? .16, .16 mg/l
 (If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 2 hrs

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

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

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

If yes, provide the GPCPD amount: N/A

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: APPALCOOSA WATER CO	Test Year Ended: 2007
Meter Size: 1"	1 st Quarter Ended: 03/31/2007

BILL COUNT WORKSHEET 1ST QUARTER

GALLONAGE RANGE	NUMBER OF BILLS	TOTAL BILLS FOR 1 ST QUARTER
- 0 -		10
1 to 1,000	1	16
1,001 to 2,000		13
2,001 to 3,000		18
3,001 to 4,000		15
4,001 to 5,000	1	16
5,001 to 6,000		12
6,001 to 7,000		10
7,001 to 8,000		9
8,001 to 9,000		5
9,001 to 10,000	1	6
10,001 to 12,000		5
12,001 to 14,000		2
14,001 to 16,000		2
16,001 to 18,000		1
18,001 to 20,000		1
20,001 to 25,000		1
25,001 to 30,000		2
30,001 to 35,000		0
35,001 to 40,000		0
40,001 to 50,000		0
50,001 to 60,000		0
60,001 to 70,000		0
70,001 to 80,000		0
80,001 to 90,000		0
90,001 to 100,000		0
Over 100,000 (List actual gallons, e.g., 120,000)		0
Total Bills		144

Company Name: APPALCOOSA WATER CO	Test Year Ended: 2007
Meter Size: 1/2"	Quarter Ended: 06/30/07

BILL COUNT WORKSHEET 3RD QUARTER

GALLONAGE RANGE	NUMBER OF BILLS	TOTAL BILLS FOR 3 RD QUARTER
- 0 -		5
1 to 1,000	1	6
1,001 to 2,000	1	6
2,001 to 3,000		10
3,001 to 4,000		12
4,001 to 5,000		12
5,001 to 6,000		12
6,001 to 7,000	1	11
7,001 to 8,000	1	21
8,001 to 9,000		10
9,001 to 10,000		7
10,001 to 12,000	1	6
12,001 to 14,000	1	6
14,001 to 16,000		5
16,001 to 18,000		0
18,001 to 20,000		2
20,001 to 25,000	1	6
25,001 to 30,000		2
30,001 to 35,000	1	1
35,001 to 40,000		2
40,001 to 50,000		0
50,001 to 60,000	1	1
60,001 to 70,000		0
70,001 to 80,000		0
80,001 to 90,000		0
90,001 to 100,000		0
Over 100,000 (List actual gallons, e.g., 120,000)		0
Total Bills		143

Company Name: APPALCOOSA WATER CO	Test Year Ended: 2007
Meter Size: 1"	3 rd Quarter Ended: 09/30/2007

BILL COUNT WORKSHEET 3RD QUARTER

GALLONAGE RANGE	NUMBER OF BILLS	TOTAL BILLS FOR 3 RD QUARTER
- 0 -		10
1 to 1,000		4
1,001 to 2,000		8
2,001 to 3,000		12
3,001 to 4,000		15
4,001 to 5,000		5
5,001 to 6,000		11
6,001 to 7,000		14
7,001 to 8,000		15
8,001 to 9,000		10
9,001 to 10,000		5
10,001 to 12,000		5
12,001 to 14,000		7
14,001 to 16,000		2
16,001 to 18,000		4
18,001 to 20,000		3
20,001 to 25,000		1
25,001 to 30,000		3
30,001 to 35,000		2
35,001 to 40,000		1
40,001 to 50,000		5
50,001 to 60,000		2
60,001 to 70,000		0
70,001 to 80,000		0
80,001 to 90,000		0
90,001 to 100,000		0
Over 100,000 (List actual gallons, e.g., 120,000)		0
Total Bills		144

Company Name: APPALWOSA WATER CO	Test Year Ended: 2007
Meter Size: 1"	4 th Quarter Ended: 12/31/2007

BILL COUNT WORKSHEET 4TH QUARTER

GALLONAGE RANGE	NUMBER OF BILLS	TOTAL BILLS FOR 4 th QUARTER
- 0 -		9
1 to 1,000		7
1,001 to 2,000		10
2,001 to 3,000		14
3,001 to 4,000		17
4,001 to 5,000		13
5,001 to 6,000		15
6,001 to 7,000		15
7,001 to 8,000		10
8,001 to 9,000		9
9,001 to 10,000		2
10,001 to 12,000		7
12,001 to 14,000		2
14,001 to 16,000		3
16,001 to 18,000		2
18,001 to 20,000		4
20,001 to 25,000		1
25,001 to 30,000		1
30,001 to 35,000		3
35,001 to 40,000		1
40,001 to 50,000		0
50,001 to 60,000		0
60,001 to 70,000		0
70,001 to 80,000		0
80,001 to 90,000		0
90,001 to 100,000		0
Over 100,000 (List actual gallons, e.g., 120,000)		0
Total Bills		145

Company Name: APPALCOOSA WATER CO	Test Year Ended: 2007
Meter Size: 1"	

BILL COUNT SUMMARY

	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Total
- 0 -	10	5	10	9	34
1 to 1,000	16	6	4	7	33
1,001 to 2,000	13	6	8	10	37
2,001 to 3,000	18	10	12	14	54
3,001 to 4,000	15	12	15	17	59
4,001 to 5,000	16	12	5	13	46
5,001 to 6,000	12	12	11	15	50
6,001 to 7,000	10	11	14	15	50
7,001 to 8,000	9	21	15	10	55
8,001 to 9,000	5	10	10	9	34
9,001 to 10,000	6	7	5	2	20
10,001 to 12,000	5	6	5	7	23
12,001 to 14,000	2	6	7	2	17
14,001 to 16,000	2	5	2	3	12
16,001 to 18,000	1	0	4	2	7
18,001 to 20,000	1	2	3	4	10
20,001 to 25,000	1	6	1	1	9
25,001 to 30,000	2	2	3	1	8
30,001 to 35,000	0	1	2	3	6
35,001 to 40,000	0	2	1	1	4
40,001 to 50,000	0	0	5	0	5
50,001 to 60,000	0	1	2	0	3
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
Total Bills	144	143	144	145	576

Company Name: APPALDOSA WATER Co	Test Year Ended: 2007
Meter Size: 3/4"	2 nd Quarter Ended: 06/30/07

BILL COUNT WORKSHEET 2ND QUARTER

GALLONAGE RANGE	NUMBER OF BILLS	TOTAL BILLS FOR 2 nd QUARTER
- 0 -		7
1 to 1,000		13
1,001 to 2,000		31
2,001 to 3,000		37
3,001 to 4,000		39
4,001 to 5,000		30
5,001 to 6,000		46
6,001 to 7,000		34
7,001 to 8,000		34
8,001 to 9,000		30
9,001 to 10,000		24
10,001 to 12,000		39
12,001 to 14,000		28
14,001 to 16,000		26
16,001 to 18,000		21
18,001 to 20,000		20
20,001 to 25,000		31
25,001 to 30,000		22
30,001 to 35,000		23
35,001 to 40,000		15
40,001 to 50,000		12
50,001 to 60,000		5
60,001 to 70,000		0
70,001 to 80,000		0
80,001 to 90,000		0
90,001 to 100,000		0
Over 100,000 (List actual gallons, e.g., 120,000)		0
Total Bills		567

Company Name: APPALOSA WATER CO	Test Year Ended: 2007
Meter Size: 3/4"	3 rd Quarter Ended: 09/30/2007

BILL COUNT WORKSHEET 3RD QUARTER

GALLONAGE RANGE	NUMBER OF BILLS	TOTAL BILLS FOR 3 rd QUARTER
- 0 -		20
1 to 1,000		18
1,001 to 2,000		40
2,001 to 3,000		36
3,001 to 4,000		29
4,001 to 5,000		36
5,001 to 6,000		34
6,001 to 7,000		44
7,001 to 8,000		27
8,001 to 9,000		20
9,001 to 10,000		16
10,001 to 12,000		34
12,001 to 14,000		34
14,001 to 16,000		27
16,001 to 18,000		33
18,001 to 20,000		18
20,001 to 25,000		35
25,001 to 30,000		24
30,001 to 35,000		18
35,001 to 40,000		7
40,001 to 50,000		8
50,001 to 60,000		7
60,001 to 70,000		5
70,001 to 80,000		0
80,001 to 90,000		0
90,001 to 100,000		0
Over 100,000 (List actual gallons, e.g., 120,000)		0
Total Bills		570

Company Name: <u>APPALOOOSA WATER Co.</u>	Test Year Ended: <u>2007</u>
Meter Size: <u>3/4"</u>	4 th Quarter Ended: <u>12/31/2007</u>

BILL COUNT WORKSHEET 4TH QUARTER

GALLONAGE RANGE	NUMBER OF BILLS	TOTAL BILLS FOR 4 th QUARTER
- 0 -		18
1 to 1,000		21
1,001 to 2,000		49
2,001 to 3,000		64
3,001 to 4,000		60
4,001 to 5,000		46
5,001 to 6,000		54
6,001 to 7,000		29
7,001 to 8,000		19
8,001 to 9,000		21
9,001 to 10,000		30
10,001 to 12,000		40
12,001 to 14,000		23
14,001 to 16,000		24
16,001 to 18,000		15
18,001 to 20,000		14
20,001 to 25,000		16
25,001 to 30,000		11
30,001 to 35,000		8
35,001 to 40,000		2
40,001 to 50,000		3
50,001 to 60,000		1
60,001 to 70,000		0
70,001 to 80,000		0
80,001 to 90,000		0
90,001 to 100,000		0
Over 100,000 (List actual gallons, e.g., 120,000)		0
Total Bills		568

Company Name: APPACOSA WATER CO	Test Year Ended: 2007
Meter Size: 3/4"	

BILL COUNT SUMMARY

	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Total
- 0 -	10	7	20	18	55
1 to 1,000	27	13	18	21	79
1,001 to 2,000	55	31	40	49	175
2,001 to 3,000	82	37	36	64	219
3,001 to 4,000	83	39	29	60	211
4,001 to 5,000	69	30	36	46	181
5,001 to 6,000	57	46	34	54	191
6,001 to 7,000	41	34	44	29	148
7,001 to 8,000	29	34	27	19	109
8,001 to 9,000	25	30	20	21	96
9,001 to 10,000	12	24	16	30	82
10,001 to 12,000	21	39	34	40	134
12,001 to 14,000	15	28	34	23	100
14,001 to 16,000	10	26	27	24	87
16,001 to 18,000	5	21	33	15	74
18,001 to 20,000	0	20	18	14	52
20,001 to 25,000	12	31	35	16	94
25,001 to 30,000	4	22	24	11	61
30,001 to 35,000	4	23	18	8	53
35,001 to 40,000	3	15	7	2	27
40,001 to 50,000	0	12	8	3	23
50,001 to 60,000	0	5	7	1	13
60,001 to 70,000	0	0	5	0	5
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
Total Bills	564	567	570	560	2269

Yavapai Water Production

Kimble McClymonds
2132 Stringfield Dr
Prescott AZ 86305
(928)771-9461

Invoice

DATE	INVOICE #
9/11/2007	595

BILL TO
Appaloosa Water P.O. Box 3150 Chino Valley Az 86323

JOB
Sept. 07

ITEM	QUANT...	DESCRIPTION	RATE	SERVICED	AMOUNT
Water Operato		Water System operation - Samples AZ sales tax	200.00 6.35%		200.00 0.00
				Total	\$200.00

Yavapai Water Production

Kimble McClymonds
2132 Stringfield Dr
Prescott AZ 86305
(928)771-9461

Invoice

DATE	INVOICE #
11/11/2007	565

BILL TO
Appaloosa Water P.O. Box 3150 Chino Valley Az 86323

PAID



JOB
Oct. 2007

ITEM	QUANT...	DESCRIPTION	RATE	SERVICED	AMOUNT
Operator	1	Water operator AZ sales tax	200.00 6.35%		200.00 0.00
			Total		\$200.00

Yavapai Water Production L.L.C.

Invoice

Kimble McClymonds
2132 Stringfield Dr
Prescott AZ 86305
(928)771-9461

<u>DATE</u>	<u>INVOICE #</u>
11/11/2007	566

<u>BILL TO</u>
Appaloosa Water P.O. Box 3150 Chino Valley Az 86323

<u>JOB</u>
Nov 07



<u>ITEM</u>	<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>RATE</u>	<u>SERVICED</u>	<u>AMOUNT</u>
Operator		Water operator AZ sales tax	200.00 6.35%		200.00 0.00
				Total	\$200.00

Yavapai Water Production L.L.C.

Invoice

Kimble McClymonds
2132 Stringfield Dr
Prescott AZ 86305
(928)771-9461

DATE	INVOICE #
12/25/2007	569

<u>BILL TO</u>
Appaloosa Water P.O. Box 3150 Chino Valley Az 86323

<u>JOB</u>
Dec.07

ITEM	QUANTITY	DESCRIPTION	RATE	SERVICED	AMOUNT
Water Operato		Water System operation - Samples AZ sales tax	200.00 6.35%		200.00 0.00
				Total	\$200.00



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
MONITORING ASSISTANCE PROGRAM
ANNUAL SAMPLING FEE INVOICE**



Pursuant to A.R.S. § 49-113, interest will be charged if full payment is not received by the specified due date. If you dispute the amount listed, please contact ADEQ as soon as possible. To reduce interest costs on an unpaid invoice, you may remit an amount that you believe is not in dispute. However, if nonpayment is due to wilful neglect, you may suffer an additional five percent penalty of up to twenty-five percent of the amount due for each month or fraction of a month the amount is past due.

If you have any questions about your invoice, contact W. Scott Steinhagen at (602) 771-4445 or toll-free within Arizona at (800) 234-5677, extension 771-4445.

Pursuant to A.R.S. § 49-360 F and A.A.C. R18-4-224 through R18-4-226, "The director shall establish fees for the monitoring assistance program to be collected from all public water systems..."

Owner Id #: 9252	Invoice Number 63601
To: APPALOOSA MEADOWS SUBD 7861 EAST GRAY RD STE 109 SCOTTSDALE AZ 85251	Public Water System ID #: 13208
	Billing for Calendar Year: 2007
	Due Date: December 18, 2006 2nd Notice! Past Due!
	Total Amount Due \$ 0.00
	Amount Paid \$

↑ Keep the top portion for your records. ↑ ADEQ Federal Tax #866004791

↓ **This entire bottom portion must be returned to ADEQ.** ↓

Annual Sampling Fee Invoice

ADEQ Federal Tax #866004791
Invoice # 63601

APPALOOSA MEADOWS SUBD 7861 EAST GRAY RD STE 109 SCOTTSDALE AZ 85251 13208 - Appaloosa Meadows Subd	Owner Id #: 9252 MAP
	Billing for Calendar Year: 2007
	Due Date: 12/18/2006 Past Due!

ANNUAL SAMPLING FEE WORKSHEET

Base Fee (all MAP systems)	\$ 250.00
Fee per Connection in 2007 193 connections X \$ 2.57	\$ 496.01
Total Sampling Fee	\$ 746.01
Plus Paid Interest Charges and/or Other Adjustments	\$ 0.00
Plus Unpaid Interest Charges as of 07/28/2008	\$ 0.00
Minus Payments Received and/or Other Adjustments	\$ 746.01
Amount Due	\$ 0.00
Amount received by ADEQ (Make check payable to State of Arizona)	\$



A \$12 fee will be charged for any check not honored by the bank.

Do not write below this line

Make your check or money order payable to **State of Arizona**
THIS FORM MUST ACCOMPANY YOUR REMITTANCE.

Mail to: Arizona Department of Environmental Quality
PO Box 18228
Phoenix, AZ 85005

Check Number:	
Received:	
Postmarked:	
Entered:	CRT 07/28/2008 WM301RePrint