

Walnut Creek Water Company



0000091548

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Kingman, AZ 86401
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ORIGINAL

December 4, 2008

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

Arizona Corporation Commission

DOCKETED

DEC -5 2008

RE: Walnut Creek Water Company, Inc.
Rate Case #W-02466A-08-0486

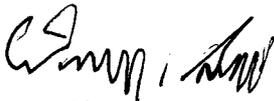
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Response to Letter of Deficiency dated October 22, 2008.

Attached please find original and 16 copies of the response to the above-mentioned Letter of Deficiency with regard to Walnut Creek Water Company, Inc.

Questions should be directed to Kathy Smith at 928-753-1314.

Sincerely,



Dennis Sim
Water Company Manager

Enclosures:

- Original – Deficiency Letter Response
- 16 Copies – Deficiency Letter Response

DOCKET CONTROL
AZ CORP COMMISSION

2008 DEC -5 A 11:50

RECEIVED

Walnut Creek Water Company

December 4, 2008

119 E Andy Devine Ave.
Kingman, AZ 86401
Office (928)753-1314
Fax (928)718-0076

Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

To Whom It May Concern:

This letter is in response to the October 22, 2008 letter of deficiencies issued to Walnut Creek Water Co., Inc. Please be advised that it has been a long period of time since Walnut Creek Water has submitted a rate application and our staff is also new to this process. We appreciate your patience during our learning curve.

An extension to the due date for our response to this deficiency letter was granted by your agency to allow us time to provide complete and accurate information.

1.1 The bill count was recalculated by hand due, in part, to an issue with the Caselle Utility Billing software. (This software has been in use since November 2006.) It was discovered that a purging process was used for the first three quarters in 2007 to purge terminated utility customers. Staff was not aware that the purging eliminated all records of the customer, including billing information. When the bill count reports were originally created, this information was not known. Additionally, the report did not include a bill count for anyone with less than 2,000 gallons who would receive a minimum bill. Therefore, the system generated bill count reports were incorrect. To further compound the error, we also included as a metered customer, a billing for Mohave County Road Department. This customer is metered on their truck, but is not a "metered customer" in the sense of ACC definitions. The following steps were taken to arrive at the bill count:

1. Our manual meter reading list was compared to the original Meter Proof Report.
2. A spreadsheet was created and sorted by gallons for each month.
3. The gallon information was then sorted to determine bill count gallon ranges (Spreadsheet #1 above).
4. The number of customers and total gallons billed was balanced back to the original Billing Register, Monthly Transaction Register, and Monthly Billing and Usage Summary.
5. A spreadsheet was then created to calculate revenue based on this bill count and gallon usage. This spreadsheet contains all actual gallon usage amounts; it is not summarized in the ranges on your Bill Count Worksheet. (Spreadsheet #2).
6. This spreadsheet was used to balance back our total gallons and charges billed to our general ledger accounting records and the original Billing and Usage summaries. These records were balanced each month as noted on the Bill Count Total Spreadsheet.
7. Once we determined the bill count produced generated the revenue we had actually posted, we created a separate spreadsheet, (Spreadsheet #3); similar to what your staff might use to determine revenue from the bill count based on your Bill Count Worksheet. This total is, of course different to the "lumping together" of gallon ranges.

We believe that our bill count is now correct. We have been working closely with Mr. Charles Myhlhousen and have provided him with the documentation listed above. We are submitting new Bill Count Worksheets (Pages 27-31) and have also made changes to pages 6, 17, 18, and 19 to correct classification of revenue, customer meter counts, customer counts, and gallons billed due to the errors we found in the process above.

1.2 We did not originally use the Bill Count Worksheets to determine proposed revenue based on the proposed rate changes. We instead used a Rate Table Summary (from our software) and also estimated for Deposits, NSF Checks, Establishment Fees, and unmetered water in our proposed revenue increase on page 6 of our application. We have created a spreadsheet (Spreadsheet #4) based on Spreadsheet 3, (Bill Count Revenue based on Bill Count Worksheets) with the proposed rate changes to calculate the figure for page 6. This amount has been corrected on page 6.

1.3 Customer numbers on pages 6, 17, and 18 were reconciled in the process outlined in 1.2 above and have been corrected on these pages. Please note that the original page 17 showed 254 customers (not 253 as noted in your letter) and page 18 showed 253 customers (not 254 as noted in your letter). The correct customer numbers have been corrected as reconciled as requested.

1.4 The test year revenues and the additional proposed revenue has been updated on page 6 reflecting the change in proposed revenues as outlined in 1.2 above.

Due to the change in proposed revenue we have re-notified our customers. This notification was reviewed by Carmen Madrid and took place on December 4, 2008. A copy of the Customer Notification Affidavit is also attached.

Should you have questions, please contact Kathy Smith at 928-753-1314.

Thank you,



Dennis Sim

Attachments:

- Page 6 – Statements in Support of Rate Request
- Page 17 – Water Company Plant Description
- Page 18 – Water Use Data Sheet
- Page 19 – Comparative Statement of Income and Expense
- Pages 27 - 31 – 5/8" Meter Bill Counts
- Pages 27 - 31 – 1" Meter Bill Counts
- Customer Notification Affidavit

STATEMENTS IN SUPPORT OF RATE REQUEST

Complete the following statements in support of your rate request.

Walnut Creek Water Co. Inc. (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 \$ 112,350., served 254 metered and 15 un-metered customers, and sold 27,470,000 gallons of water during the Test Year.

The Company is requesting a(n) increase/decrease in revenues in the amount of \$ 88,003.

Total annual operating revenues, if the Company is granted the rate adjustment, will be \$ 200,353.

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 *as of 11/03/2008

The Company notified its customers on December 4, 2008,

of its application for a rate adjustment on 9/22/08 (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: Walnut Creek Water Co Inc	Test Year Ended: 2007
Name of System:	ADEQ Public Water System Number: 08-078

WATER USE DATA SHEET BY MONTH FOR TEST YEAR

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	244	1,484	2,031	
FEBRUARY	245	1,492	1,765	
MARCH	248	2,068	2,619	
APRIL	250	1,923	2,409	
MAY	249	2,552	2,859	
JUNE	253	3,467	3,797	
JULY	254	3,563	4,095	
AUGUST	255	2,644	3,104	
SEPTEMBER	254	2,554	3,513	
OCTOBER	254	2,344	3,063	
NOVEMBER	254	1,968	2,458	
DECEMBER	254	1,411	1,813	
TOTALS →		* 27,470	** 33,526	

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

If system has fire hydrants, what is the fire flow requirement? 750 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: _____

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

Well #2 0.009
 #3 0.008
 #4 0.0054
 #5 Not in service

COMPANY NAME: Walnut Creek Water Co., Inc.	Test Year Ended: 12/31/07
Name of System:	ADEQ Public Water System Number:

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	TEST YEAR
461	Metered Water Revenue	\$ 120,048	\$ 95,156
460	Unmetered Water Revenue		14,929
474	Other Water Revenues	1,890	2,265
	TOTAL OPERATING REVENUES	\$ 121,938	\$ 112,350 *
	OPERATING EXPENSES		
601	Salaries and Wages (See page 1, item 4)	\$ 37,501	\$ 37,166
610	Purchased Water (See page 1, item 5)	2,100	0
615	Purchased Power (See page 1, item 6)	18,528	20,429
618	Chemicals		
620	Repairs and Maintenance (See page 1, item 7)	33,630	54,658
621	Office Supplies and Expense	7,268	3,939
630	Outside Services (See page 1, item 8)	9,933	6,872
635	Water Testing (See page 1, item 9)		592
641	Rents	1,500	1,500
650	Transportation Expenses	13,100	12,685
657	Insurance – General Liability		7,746
659	Insurance – Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	842	825
403	Depreciation Expense (From page 20)	44,180	36,340
408	Taxes Other Than Income	4,766	4,439
408.11	Property Taxes (See page 1, item 10)	1,753	4,080
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 175,101	\$ 191,271
	OPERATING INCOME/(LOSS)	\$ (53,163)	\$ (78,921)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ (53,163)	\$ (78,921)

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: Walnut Creek Water Co.	Test Year Ended: 12/31/07
Meter Size: 5/8"	1 st Quarter Ended: 03/31/07

BILL COUNT WORKSHEET 1ST QUARTER

GALLONAGE RANGE	JAN.	FEB. NUMBER OF BILLS	MAR.	TOTAL BILLS FOR 1 ST QUARTER
- 0 -	12	6	10	28
1 to 1,000	11	9	6	26
1,001 to 2,000	16	14	9	39
2,001 to 3,000	33	21	15	69
3,001 to 4,000	33	38	28	99
4,001 to 5,000	29	39	27	95
5,001 to 6,000	20	29	19	68
6,001 to 7,000	24	26	21	71
7,001 to 8,000	14	17	17	48
8,001 to 9,000	11	9	17	37
9,001 to 10,000	7	6	9	22
10,001 to 12,000	11	10	21	42
12,001 to 14,000	8	9	10	27
14,001 to 16,000	4	4	13	21
16,001 to 18,000	1	0	8	9
18,001 to 20,000	2	1	3	6
20,001 to 25,000	2	1	4	7
25,001 to 30,000	1	2	5	8
30,001 to 35,000	0	0	1	1
35,001 to 40,000	1	0	0	1
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
Total Bills	240	241	244	725

Company Name: Walnut Creek Water Co.	Test Year Ended: 12/31/07
Meter Size: 5/8"	2 nd Quarter Ended: 06/30/07

BILL COUNT WORKSHEET 2ND QUARTER

GALLONAGE RANGE	APR.	MAY NUMBER OF BILLS	JUNE	TOTAL BILLS FOR 2 nd QUARTER
- 0 -	11	10	16	37
1 to 1,000	9	11	7	27
1,001 to 2,000	12	8	6	26
2,001 to 3,000	15	17	2	34
3,001 to 4,000	33	18	16	67
4,001 to 5,000	31	27	12	70
5,001 to 6,000	25	16	17	58
6,001 to 7,000	16	23	21	60
7,001 to 8,000	18	15	16	49
8,001 to 9,000	11	11	13	35
9,001 to 10,000	7	9	10	26
10,001 to 12,000	20	15	22	57
12,001 to 14,000	5	19	13	37
14,001 to 16,000	9	9	14	32
16,001 to 18,000	8	8	8	24
18,001 to 20,000	6	6	6	18
20,001 to 25,000	4	6	16	26
25,001 to 30,000	3	5	14	22
30,001 to 35,000	2	4	3	9
35,001 to 40,000	1	3	3	7
40,001 to 50,000	0	4	9	13
50,001 to 60,000	0	0	3	3
60,001 to 70,000	0	0	1	1
70,001 to 80,000	0	1	1	2
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
Total Bills	246	245	249	740

Company Name: Walnut Creek Water Co.	Test Year Ended: 12/31/07
Meter Size: 5/8"	3 rd Quarter Ended: 09/30/07

BILL COUNT WORKSHEET 3RD QUARTER

GALLONAGE RANGE	JULY	AUG. NUMBER OF BILLS	SEPT.	TOTAL BILLS FOR 3 RD QUARTER
- 0 -	10	11	8	29
1 to 1,000	12	13	11	36
1,001 to 2,000	7	13	18	38
2,001 to 3,000	10	21	11	42
3,001 to 4,000	22	16	11	49
4,001 to 5,000	13	23	25	61
5,001 to 6,000	17	24	24	65
6,001 to 7,000	18	9	21	48
7,001 to 8,000	16	17	16	49
8,001 to 9,000	11	11	21	43
9,001 to 10,000	9	12	11	32
10,001 to 12,000	18	19	10	47
12,001 to 14,000	12	6	12	30
14,001 to 16,000	14	10	10	34
16,001 to 18,000	8	14	8	30
18,001 to 20,000	3	6	6	15
20,001 to 25,000	15	10	15	40
25,001 to 30,000	11	4	3	18
30,001 to 35,000	8	3	3	14
35,001 to 40,000	3	3	2	8
40,001 to 50,000	7	2	3	12
50,001 to 60,000	2	2	1	5
60,001 to 70,000	0	2	0	2
70,001 to 80,000	3	0	0	3
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)	1	0	0	1
Total Bills	250	251	250	751

Company Name: Walnut Creek Water Co.	Test Year Ended: 12/31/07
Meter Size: 5/8"	4 th Quarter Ended: 12/31/07

BILL COUNT WORKSHEET 4TH QUARTER

GALLONAGE RANGE	OCT.	NOV. NUMBER OF BILLS	DEC.	TOTAL BILLS FOR 4 th QUARTER
- 0 -	13	13	11	37
1 to 1,000	11	11	17	39
1,001 to 2,000	8	11	22	41
2,001 to 3,000	18	17	41	76
3,001 to 4,000	14	26	32	72
4,001 to 5,000	29	23	29	81
5,001 to 6,000	23	26	17	66
6,001 to 7,000	20	28	25	73
7,001 to 8,000	16	15	14	45
8,001 to 9,000	11	17	9	37
9,001 to 10,000	16	7	7	30
10,001 to 12,000	14	16	10	40
12,001 to 14,000	6	11	6	23
14,001 to 16,000	12	10	2	24
16,001 to 18,000	8	3	3	14
18,001 to 20,000	10	2	2	14
20,001 to 25,000	11	8	3	22
25,001 to 30,000	5	2	0	7
30,001 to 35,000	0	3	0	3
35,001 to 40,000	4	1	0	5
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	1	0	0	1
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
Total Bills	250	250	250	750

Company Name: Walnut Creek Water Co.	Test Year Ended: 12/31/07
Meter Size: 5/8"	

BILL COUNT SUMMARY

	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Total
- 0 -	28	37	29	37	131
1 to 1,000	26	27	36	39	128
1,001 to 2,000	39	26	38	41	144
2,001 to 3,000	69	34	42	76	221
3,001 to 4,000	99	67	49	72	287
4,001 to 5,000	95	70	61	81	307
5,001 to 6,000	68	58	65	66	257
6,001 to 7,000	71	60	48	73	252
7,001 to 8,000	48	49	49	45	191
8,001 to 9,000	37	35	43	37	152
9,001 to 10,000	22	26	32	30	110
10,001 to 12,000	42	57	47	40	186
12,001 to 14,000	27	37	30	23	117
14,001 to 16,000	21	32	34	24	111
16,001 to 18,000	9	24	30	14	77
18,001 to 20,000	6	18	15	14	53
20,001 to 25,000	7	26	40	22	95
25,001 to 30,000	8	22	18	7	55
30,001 to 35,000	1	9	14	3	27
35,001 to 40,000	1	7	8	5	21
40,001 to 50,000	1	13	12	0	26
50,001 to 60,000	0	3	5	0	8
60,001 to 70,000	0	1	2	0	3
70,001 to 80,000	0	2	3	1	6
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	1	0	1
Total Bills	725	740	751	750	2966

Company Name:	Walnut Creek Water Co.	Test Year Ended:	12/31/07
Meter Size:	1"	1 st Quarter Ended:	03/31/07

BILL COUNT WORKSHEET 1ST QUARTER

GALLONAGE RANGE	JAN.	FEB. NUMBER OF BILLS	MARCH	TOTAL BILLS FOR 1 ST QUARTER
- 0 -	0	0	0	0
1 to 1,000	1	0	0	1
1,001 to 2,000	0	0	0	0
2,001 to 3,000	0	1	1	2
3,001 to 4,000	0	0	0	0
4,001 to 5,000	1	1	0	2
5,001 to 6,000	0	0	0	0
6,001 to 7,000	0	0	0	0
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	0	1	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
Total Bills	2	2	2	6

Company Name: Walnut Creek Water Co.	Test Year Ended: 12/31/07
Meter Size: 1"	2 nd Quarter Ended: 06/30/07

BILL COUNT WORKSHEET 2ND QUARTER

GALLONAGE RANGE	NUMBER OF BILLS			TOTAL BILLS FOR 2 nd QUARTER
	APRIL	MAY	JUNE	
- 0 -				
1 to 1,000	1	1	0	2
1,001 to 2,000	0	0	1	1
2,001 to 3,000	0	0	0	0
3,001 to 4,000	0	0	0	0
4,001 to 5,000	1	0	0	1
5,001 to 6,000	0	0	0	0
6,001 to 7,000	0	0	1	1
7,001 to 8,000	0	1	0	1
8,001 to 9,000	0	0	0	0
9,001 to 10,000	0	0	0	0
10,001 to 12,000	0	0	0	0
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
Total Bills	2	2	2	6

Company Name: Walnut Creek Water Co.	Test Year Ended: 12/31/07
Meter Size: 1"	3 rd Quarter Ended: 09/30/07

BILL COUNT WORKSHEET 3RD QUARTER

GALLONAGE RANGE	NUMBER OF BILLS			TOTAL BILLS FOR 3 rd QUARTER
	JULY	AUGUST	SEPT.	
- 0 -				
1 to 1,000	0	0	0	0
1,001 to 2,000	0	1	1	2
2,001 to 3,000	1	0	0	1
3,001 to 4,000	0	0	0	0
4,001 to 5,000	0	0	0	0
5,001 to 6,000	0	1	0	1
6,001 to 7,000	0	0	1	1
7,001 to 8,000	0	0	0	0
8,001 to 9,000	1	0	0	1
9,001 to 10,000	0	0	0	0
10,001 to 12,000	0	0	0	0
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
Total Bills	2	2	2	6

Company Name: Walnut Creek Water Co.	Test Year Ended: 12/31/07
Meter Size: 1"	4 th Quarter Ended: 12/31/07

BILL COUNT WORKSHEET 4TH QUARTER

GALLONAGE RANGE	NUMBER OF BILLS			TOTAL BILLS FOR 4 th QUARTER
	OCT.	NOV.	DEC.	
- 0 -				
1 to 1,000	0	0	0	0
1,001 to 2,000	1	0	1	2
2,001 to 3,000	0	1	0	1
3,001 to 4,000	0	0	1	1
4,001 to 5,000	0	1	0	1
5,001 to 6,000	0	0	0	0
6,001 to 7,000	1	0	0	1
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	0	0	0
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
Total Bills	2	2	2	6

Company Name: Walnut Creek Water Co.	Test Year Ended: 12/31/07
Meter Size: 1"	

BILL COUNT SUMMARY

	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Total
- 0 -	0	0	0	0	0
1 to 1,000	1	2	0	0	3
1,001 to 2,000	0	1	2	2	5
2,001 to 3,000	2	0	1	1	4
3,001 to 4,000	0	0	0	1	1
4,001 to 5,000	2	1	0	1	4
5,001 to 6,000	0	0	1	0	1
6,001 to 7,000	0	1	1	1	3
7,001 to 8,000	0	1	0	0	1
8,001 to 9,000	0	0	1	0	1
9,001 to 10,000	0	0	0	0	0
10,001 to 12,000	1	0	0	0	1
12,001 to 14,000	0	0	0	0	0
14,001 to 16,000	0	0	0	0	0
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	0	0	0	0	0
25,001 to 30,000	0	0	0	0	0
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	0	0	0	0
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
Total Bills	6	6	6	6	24

Customer Notification

All customers receiving water from Walnut Creek Water company have been notified of the water rate increase via the US Postal Service on December 4, 2008.

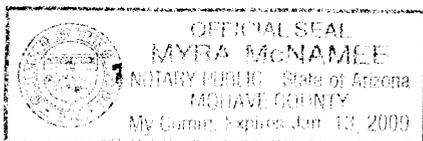


Dennis Sim, Water Company Manager

12-4-2008
Date

STATE of: Arizona
COUNTY of: Mohave

Signature of Notary: 



CUSTOMER NOTIFICATION

Walnut Creek Water Company Inc. has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since 09/1990. An increase in rates is necessary at this time due to the increase in operating costs and the need to maintain and improve service. Based on the Company's un-audited Test Year results, Walnut Creek Water Company realized an operating loss of (\$78,921.00). The Company is requesting a revenue increase of \$88,003 or 78.33% of total revenues. Please see the attached pages 9 and 11 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 (for Tucson, call 800-535-0148 if located outside the Tucson local calling area or 520-628-6555 if inside the Tucson local calling area) and at Walnut Creek Water Company, 119 E. Andy Devine Avenue, Kingman, Arizona or 2506 Oatman Road, Golden Valley, Arizona. 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.

COMPANY NAME: Walnut Creek Water Co., Inc. **Test Year Ended:** 12/31/07

Name of System: **ADEQ Public Water System Number:** 08-078

CURRENT AND PROPOSED RATES AND CHARGES

CUSTOMER CLASS: Residential Commercial Industrial
 Irrigation All Other, specify _____

CURRENT RATES

PROPOSED RATES

MINIMUM OR SERVICE CHARGES
5/8" x 3/4" Meter
3/4" Meter
1" Meter
1-1/2" Meter
2" Meter
3" Meter
4" Meter
6" Meter

\$	GALLONS
15.00	for 2000
18.75	for 2000
24.00	for 2000
30.00	for 2000
40.00	for 2000
50.00	for 2000
N/A	for
N/A	for

\$	GALLONS
18.00	for 2000
24.00	for 2000
30.00	for 2000
36.00	for 2000
46.00	for 2000
56.00	for 2000
N/A	for
N/A	for

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

Current Rates

Proposed Rates

Rate	Gallons	Rate	Gallons
\$ 2.00	Up to 10,000	\$ 4.58	Up to 5000
\$ 2.70	10,000 to _____	\$ 5.30	5000 to 10,000
\$	Over _____	\$ 7.90	Over 10,000
\$	Per Month	\$	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.

Company Name: Walnut Creek Water Co, Inc.	Test Year Ended: 12/31/07
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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	\$ 250.00	\$ 830.00
3/4" Meter	\$ 275.00	\$ 830.00
1" Meter	\$ 300.00	\$ 1050.00
1-1/2" Meter	\$ 450.00	\$ 1475.00
2" Meter	\$ 625.00	\$ 2110.00
3" Meter	\$ 825.00	\$ 2750.00
4" Meter	\$	\$
6" Meter	\$	\$

Establishment	\$ 15.00	\$ 50.00
Establishment (after hours)	\$ 20.00	\$ 75.00
Reconnection (delinquent)	\$ 25.00	\$ 90.00
Reconnection (delinquent) after hours	\$ 0	\$ 125.00
Meter Test / If Correct	\$ 25.00	\$ 50.00
Deposit	\$ Per rule	\$ Same
Deposit Interest	Per rule %	Same %
Re-establishment (within 12 months)	\$ Months off the system X minimum	\$ Same
NSF Check	\$ 15.00	\$ 30.00
Deferred Payment	1.5 %	1.5 %
Meter Re-read / If Correct	\$ 10.00	\$ 15.00
Late Fee	\$ 0	\$ 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.