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ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

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- 2 **COMMISSIONERS**
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- 4 GARY PIERCE
- 5 PAUL NEWMAN
- 6 SANDRA D. KENNEDY
- 7 BOB STUMP

2009 MAR 27 P 3:43

CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
ASH FORK DEVELOPMENT ASSOCIATION,
INC., DBA ASH FORK WATER SERVICE,
FOR APPROVAL OF A RATE ADJUSTMENT.

DOCKET NO. W-01004B-08-0508

NOTICE OF ERRATA

Staff of the Arizona Corporation Commission ("Staff") hereby files a Notice of Errata in the Staff Report of Marvin E. Millsap in the above-captioned matter. On Schedule MEM-4, line 20 Residential - All Meter Sizes, Staff inadvertently indicated the third tier of Over 12,000 Gallons, and it should be Over 6,000 Gallons. The attached Schedule MEM-4 reflects this change.

On page three of the Staff Report under the Compliance section, Staff inadvertently used the incorrect number for the Company's Public Water System number. According to the Arizona Department of Environmental Quality this number should be 13-008. The attached page 3 reflects this correction.

RESPECTFULLY SUBMITTED this 27th day of March, 2009.

Wesley C. Van Cleve
Attorney, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

Original and thirteen (13) copies
of the foregoing were filed this
27th day of March, 2009 with:

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

Arizona Corporation Commission
DOCKETED

MAR 27 2009

DOCKETED BY

1 Copy of the foregoing mailed this
2 27th day of March, 2009 to:

3 Lewis E. Hume, Manager
4 Ash Fork Development Association
5 dba Ash Fork Water Service
6 Post Office Box 436
7 Ash Fork, Arizona 86320-0436

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ATTACHMENTS

CORRECTED SCHEDULE

RATE DESIGN

Line No.		Present Rates	Company Proposed	Staff Recommended	
1	Monthly Minimum				
2	5/8 x 3/4-inch Meter	\$ 11.00	\$ 12.00	\$ 12.00	
3	3/4-inch Meter	\$ 11.00	\$ 12.00	\$ 12.00	
4	1-inch Meter	\$ 16.00	\$ 18.00	\$ 18.00	
5	1 1/2-inch Meter	\$ 22.00	\$ 24.00	\$ 24.00	
6	2-inch Meter	\$ 30.00	\$ 35.00	\$ 35.00	
7	3-inch Meter	\$ 50.00	\$ 55.00	\$ 55.00	
8	4-inch Meter	\$ 90.00	\$ 100.00	\$ 100.00	
9	6-inch Meter	\$ 100.00	\$ 120.00	\$ 120.00	
10					
11	Gallons in the Minimum	-	-	-	
12					
13	Commodity Rates	Per 1,000 Gallons			
14	Residential - All Meter Sizes	Block			
15		0 - 6,000 Gallons	\$ 3.35	\$ 3.75	N/A
16		6,001 - 12,000 Gallons	\$ 3.75	\$ 4.20	N/A
17		Over 12,000 Gallons	\$ 3.90	\$ 4.37	N/A
18		0 - 3,000 Gallons	N/A	N/A	\$ 3.35
19		3,001 - 6,000 Gallons	N/A	N/A	\$ 4.00
20		Over 6,000 Gallons	N/A	N/A	\$ 4.66
21	Commercial - All Meter Sizes	Block			
22		0 - 6,000 Gallons	\$ 3.35	\$ 3.75	N/A
23		6,001 - 12,000 Gallons	\$ 3.75	\$ 4.20	N/A
24		Over 12,000 Gallons	\$ 3.90	\$ 4.37	N/A
25		0 - 6,000 Gallons			\$ 4.00
26		Over 6,000 Gallons			\$ 4.66
27					
28	Standpipe/Bulk	Per 1,000 Gallons	\$ 8.00	\$ 9.200	\$ 9.20
29					
30	Coin Operated Standpipe	Per 25 Gallons	\$ 0.25	\$ 0.250	\$ 0.25
31					
32	Filtered Water Dispenser	Per Gallon	\$ 0.25	\$ 0.25	\$ 0.25
33					
34	Monthly Service Charge for Fire Sprinkler				
35	4-inch or Smaller Meter	****	****	****	
36	6-inch Meter	****	****	****	
37	8-inch Meter	****	****	****	
38	10-inch Meter	****	****	****	
39	Larger than 10-inch Meter	****	****	****	

**** 1.00% of the monthly minimum for a comparable sized meter connection but no less than \$5.00 per month.
The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.

Line No.		Present Rates	Company Proposed	Staff Recommended
46	Service Charges			
47	Establishment of Service:			
48	Regular Hours	\$ 15.00	\$ 20.00	\$ 20.00
49	After Hours	\$ 20.00	\$ 24.00	\$ 24.00
50	Re-establishment of Service within 12 Months:			
51	Monthly Minimum times Months Disconnected			
52	From the Water System [Per ACC Rule 14-2-403(D)]			
53	Reconnection of Service (Delinquent):			
54	Regular Hours	\$ 15.00	\$ 15.00	\$ 15.00
55	After Hours	\$ 15.00	\$ 24.00	\$ 24.00
56	Water Meter Test (If Correct)	\$ 10.00	\$ 40.00	\$ 40.00
57	Meter Re-Read (If Correct)	\$ 10.00	\$ 10.00	\$ 10.00
58	NSF Check Charge	\$ 15.00	\$ 15.00	\$ 15.00
59	Late Fee Charge	1.5% Per Month	1.5% Per Month	1.5% Per Month
60	Deposit Requirements Residential	**	**	**
61	Deposit Requirements Non-Residential	**	**	**
62	Deposit Interest	6%	***	***

** [Per ACC Rule 14-2-403(B)]

*** Interest per [Per ACC Rule 14-2-403(B)]

Line No.		Total Present Charge	Total Proposed Charge	Staff Recommended Service Line Charge	Staff Recommended Meter Installation Charge	Staff Total Recommended Charge
75	Meter and Service Line Installation Charges					
76	5/8 x 3/4-inch Meter	\$ 216.00	\$ 350.00	\$ 280.00	\$ 70.00	\$ 350.00
77	3/4-inch Meter	\$ 270.00	\$ 350.00	\$ 280.00	\$ 70.00	\$ 350.00
78	1-inch Meter	\$ 306.00	\$ 420.00	\$ 290.00	\$ 130.00	\$ 420.00
79	1 1/2-inch Meter	\$ 546.00	\$ 900.00	\$ 470.00	\$ 430.00	\$ 900.00
80	2-inch Meter	\$ 780.00	\$ 1,340.00	\$ 600.00	\$ 740.00	\$ 1,340.00
81	3-inch Meter	\$ 900.00	\$ 2,100.00	\$ 810.00	\$ 1,290.00	\$ 2,100.00
82	4-inch Meter	\$ 1,020.00	\$ 2,800.00	\$ 1,000.00	\$ 1,800.00	\$ 2,800.00
83	6-inch Meter	\$ 1,140.00	\$ 3,600.00	\$ 1,100.00	\$ 2,500.00	\$ 3,600.00

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM IT CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).

ALL ADVANCES AND/OR CONTRIBUTIONS ARE TO INCLUDE LABOR, MATERIALS, OVERHEADS, AND ALL APPLICABLE TAXES, INCLUDING ALL GROSS-UP TAXES FOR INCOME TAXES, IF APPLICABLE.

CORRECTED

bill, with a median usage of 3,438 gallons from \$22.52 to \$23.80, for an increase of \$1.28 or 5.7 percent.

The Company utilized a test year ending December 31, 2007.

BACKGROUND

Ash Fork is an Arizona class C utility engaged in the business of providing potable water service. Ash Fork is a non-profit corporation not subject to the payment of Federal or State of Arizona income taxes. Ash Fork was granted a Certificate of Convenience and Necessity ("CC&N") to provide water service per Decision No. 5018, effective October 8, 1929.

CONSUMER SERVICES

A review of the Consumer Services Section database for the Company from January 1, 2006, through February 25, 2009, revealed that in 2006 and 2007 there were no complaints, inquiries or opinions. In 2008, there were no complaints or inquiries and the one opinion was in favor to the requested rate increase. In 2009, there have been no inquiries, complaints or opinions.

COMPLIANCE

The Utilities Division Compliance Section showed no outstanding compliance issues.

The Company is not within an Active Management Area and, thus, is not subject to the Arizona Department of Water Resources monitoring and reporting requirements for groundwater withdrawals.

Arizona Department of Environmental Quality reported that the Company's Public Water System #13-008, had no deficiencies and is currently delivering water that meets the quality standards required by the Arizona Administrative Code, Title 18 Chapter 4.

The Corporations Division of the Commission indicates the Company is in good standing.

The Company has a certificate of good standing from the Arizona Department of Revenue ("ADOR"), dated August 13, 2008.

Staff has confirmed, through the Yavapai County Treasurer's Office, that as of December 31, 2007, the Company is current on its property taxes.