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Granite Mountain Water Company

PO Box 350 * Chino Valley Arizona 86323

Phone: (928) 717-2616 / Fax: (928) 717-2621

August 21, 2009

Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007
Docket No. W-02467A-09-0333 and W-02467A-09-0334

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AZ CORP COMMISSION
DOCKET CONTROL

To the commission:

On August 21, 2009, the customers of Granite Mountain Water Company, Inc. were notified that the company has made application to the Corporation Commission for a rate increase and financing application with the applicable revision in accordance with the Procedural Order dated August 11, 2009.

Notice was accomplished by mailing, postage prepaid regular U.S.P.S. mail to the current customer mailing address on file. This notice shall serve as an affidavit of mailing for the commission.

Signed: *Matthew B. Lauterbach*
Matthew B. Lauterbach
Granite Mountain Water Company, Inc.
P.O. Box 350
Chino Valley, AZ 86323
(928) 717-2619

Arizona Corporation Commission
DOCKETED

AUG 27 2009

DOCKETED BY *mn*

Notary:

STATE OF ARIZONA)

:S

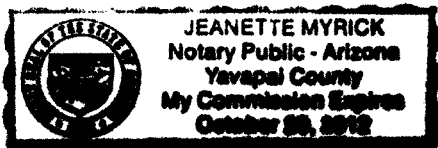
COUNTY OF YAVAPAI)

This instrument was acknowledged before me this 21th day of August, 2009, by Matthew B. Lauterbach, Granite Mountain Water Company, Inc.

In witness thereof I herewith set my hand and official seal.

Jeanette Myrick
Notary

My Commission Expires:



NOTICE OF GRANITE MOUNTAIN WATER COMPANY, INC.'S
APPLICATIONS FOR A RATE INCREASE AND
FOR APPROVAL OF FINANCINGS
Docket Nos. W-02467A-09-0333 et al.

On June 30, 2009, Granite Mountain Water Company, Inc. ("Granite Mountain") filed with the Arizona Corporation Commission ("Commission") a Rate Application requesting a rate increase of \$14,797, equal to approximately 20 percent of its unaudited 2008 test year total operating revenues of \$73,987. Granite Mountain's current and proposed rates are attached to this Notice.

Also on June 30, 2009, Granite Mountain filed a Financing Application requesting authority to obtain a line of credit in the amount of \$125,000, to be used primarily to fund the design and construction of a 50,000 gallon water storage tank, retaining wall, and required fencing, and requesting authority to issue three promissory notes totaling \$132,793.65, which arose from three loans obtained in January 2004, March 2006, and April 2007. Granite Mountain stated in the Financing Application that the three promissory notes have already been paid in full.

The Commission will consider the Rate Application and Financing Application together as a consolidated matter. The Commission's Utilities Division Staff ("Staff") is currently analyzing both applications and has not yet made recommendations regarding either application. The Commission is not bound by the proposals made by Granite Mountain, Staff, or any intervenors. The rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Rate Application.

The Commission may act upon the applications without a hearing. Regardless of whether a hearing is held, written customer comments will be placed in the file, which the Commission will review before making its final decision on the applications. It is important that customers wishing to comment do so promptly so that Staff can consider customer comments and concerns in developing its recommendations to the Commission and so that the Commission can consider customer comments and concerns in reaching its decision.

Customers should bring to the Commission's attention any questions or concerns related to either application, including concerns as to service, billing procedures, or other factors important in determining the reasonableness of the proposed rates and charges or the financings. Copies of the Rate Application and Financing Application are available at Granite Mountain's office at 2465 Shane Drive, Prescott, AZ 86305 and the Commission's Docket Control at 1200 West Washington Street, Phoenix, AZ 85007 for public inspection during regular business hours and on the Internet via the Commission website (www.azcc.gov) using the e-Docket function. If you have questions about either application, you may contact Granite Mountain at (928) 717-2616. If you wish to file written comments on either application or want further information, you may contact the Commission's Consumer Services Section by calling 1-800-222-7000 or 602-542-4251. Written public comments may also be filed by mailing an original and 13 copies of the comments (referencing Docket No. W-02467A-09-0333 et al.) to the Commission's Docket Control at 1200 West Washington Street, Phoenix, AZ 85007.

Any person entitled by law to intervene and having a direct and substantial interest in this matter will be permitted to intervene. A person desiring to intervene must file a Motion to Intervene with the Commission's Docket Control and serve the Motion upon Granite Mountain. A Motion to Intervene shall contain at least the following:

1. The name, address, and telephone number of the proposed intervenor and of any person upon whom service of documents is to be made if different than the intervenor;
2. A short statement of the proposed intervenor's interest in the proceeding (customer, etc.);
3. Whether the proposed intervenor desires a formal evidentiary hearing on the applications and the reasons for such a hearing; and
4. A statement certifying that a copy of the Motion to Intervene has been mailed to Granite Mountain or its counsel. The granting of Motions to Intervene shall be governed by Arizona Administrative Code RI4-3-105. If a hearing is scheduled in this matter, a deadline for Motions to Intervene will be established in the Procedural Order scheduling the hearing.

Granite Mountain Water Company
(928) 717-2616

COMPANY NAME: Granite Mountain Water Company, Inc.	Test Year Ended: 2008
Name of System: Granite Mountain Water	ADEQ Public Water System Number: 13-150

CURRENT AND PROPOSED RATES AND CHARGES

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

MINIMUM OR SERVICE CHARGES	CURRENT RATES		PROPOSED RATES	
	\$	GALLONS	\$	GALLONS
5/8" x 3/4" Meter	23.00	for 0	27.60	for 0
3/4" Meter	33.75	for 0	40.50	for 0
1" Meter	56.25	for 0	67.50	for 0
1-1/2" Meter	112.50	for 0	135.00	for 0
2" Meter	180.00	for 0	216.00	for 0
3" Meter	337.50	for 0	405.00	for 0
4" Meter	565.50	for 0	678.60	for 0
6" Meter	1125.00	for 0	1350.00	for 0

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
\$ 4.00	Up to 10,000	\$ 4.80	Up to 10,000
\$ 5.00	_____ to _____	\$ 6.00	10,001 to 20,000
\$ 5.00	Over 10,000	\$ 9.00	Over 20,001
\$	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: Granite Mountain Water Company, Inc.	Test Year Ended: 2008
Name of System: Granite Mountain Water	ADEQ Public Water System Number: 13-150

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	\$ 400.00	\$ 500.00
3/4" Meter	\$ 450.00	\$ 575.00
1" Meter	\$ 555.00	\$ 650.00
1-1/2" Meter	\$ 716.00	\$ 716.00
2" Meter	\$ 1572.00	\$ 1572.00
3" Meter	\$ 2400.00	\$ 2400.00
4" Meter	\$ 3516.00	\$ 3516.00
6" Meter	\$ 6916.00	\$ 6916.00

Establishment	\$ 15.00	\$ 25.00
Establishment (after hours)	\$ 25.00	\$ 35.00
Reconnection (delinquent)	\$ 25.00	\$ 35.00
Reconnection (delinquent) after hours	\$ 25.00	\$ 45.00
Meter Test	\$ 35.00	\$ 50.00
Deposit	\$ per rule	\$ per rule
Deposit Interest	per rule %	per rule %
Re-establishment (within 12 months)	\$ months off system times minimum	\$ months off system times minimum
NSF Check	\$ 15.00	\$ 35.00
Deferred Payment	1.00 %	1.00 %
Meter Re-read	\$ 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.