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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

Arizona Corporation Commission

DOCKETED

KRISTIN K. MAYES, Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

DEC - 8 2009

DOCKETED BY  
KL NR

IN THE MATTER OF THE APPLICATION OF  
BEAVER DAM WATER COMPANY, INC. FOR  
FINANCING AUTHORIZATION.

DOCKET NO. W-03067A-08-0266

IN THE MATTER OF THE APPLICATION OF  
BEAVER DAM WATER COMPANY, INC. FOR A  
RATE INCREASE.

DOCKET NO. W-03067A-08-0380

DECISION NO. 71415

OPINION AND ORDER

DATE OF HEARING:

April 27, 2009

PLACE OF HEARING:

Phoenix, Arizona

ADMINISTRATIVE LAW JUDGE:

Dwight D. Nodes

APPEARANCES:

Mr. Bob Frisby, on behalf of Beaver Dam Water  
Company, Inc.; and

Ms. Robin Mitchell, Staff Attorney, Legal Division, on  
behalf of the Utilities Division of the Arizona  
Corporation Commission.

BY THE COMMISSION:

Procedural History

On May 27, 2008, Beaver Dam Water Company, Inc. ("Beaver Dam" or "Company") filed with the Arizona Corporation Commission ("Commission") an application in Docket No. W-03067A-08-0266 for authorization to obtain a loan from the Water Infrastructure Finance Authority ("WIFA") in the amount of \$104,284, for the purpose of constructing water storage improvements ("Finance Case").

On July 23, 2008, the Company filed an application for a rate increase in Docket No. W-03067A-08-0380 ("Rate Case").

By Procedural Order issued September 5, 2008, the Rate and Finance Cases were

1 consolidated.

2 On November 21, 2008, the Commission's Utilities Division Staff ("Staff") filed a Letter of  
3 Sufficiency stating that the Company was classified as a Class D utility.

4 On January 12, 2009, Staff issued a Revised Letter of Sufficiency that superseded the Letter  
5 of Sufficiency filed on November 21, 2008. Staff's Letter of Sufficiency stated that Beaver Dam's  
6 rate application met the sufficiency requirements as outlined in A.A.C. R14-2-103, but that Beaver  
7 Dam had been reclassified as a Class C utility.

8 On January 20, 2009, Beaver Dam filed a Response to Staff's reclassification of the Company  
9 stating, among other things, that Beaver Dam sought a waiver of the Class C filing requirements and  
10 the Company needs a Decision prior to the date indicated in the Revised Letter of Sufficiency in  
11 order to obtain the WIFA loan needed to construct a water storage tank.

12 On January 23, 2009, a Procedural Order was issued scheduling the consolidated dockets for  
13 hearing on April 27, 2009, and directing the Company to publish notice and mail notice of the  
14 hearing to each of its customers.

15 On March 18, 2009, Motions to Intervene were filed by Patricia and Gene Litton, Mr. and  
16 Mrs. Earl Cassey, Dale and Marge Ruby, and "Lewis & Ramona." On March 20, 2009, and again on  
17 March 24, 2009, Donald T. Schreck filed a Motion to Intervene. In addition, a number of public  
18 comments were received by the Commission's Consumer Services Division opposing the requested  
19 rate increase.

20 On April 7, 2009, Staff filed its Staff Report recommending that new rates be approved for  
21 Beaver Dam, and that the requested financing application be approved subject to certain conditions.

22 On April 13, 2009, the Company's manager, Bob Frisby, filed a letter requesting an extension  
23 of 10 days, from April 17, 2009 to April 24, 2009, to file its response to the Staff Report.

24 On April 15, 2009, Staff filed a Response to Request for Extension, stating that Staff did not  
25 object to an extension for the Company's response to the Staff Report.

26 On April 16, 2009, a teleconference was conducted with Staff and Mr. Frisby to discuss the  
27 proposed extension of time.

28 On April 16, 2009, a Procedural Order was issued granting Beaver Dam's requested extension

1 of time to file its response to the Staff Report and granting the intervention requests of Patricia and  
2 Gene Litton, Mr. and Mrs. Earl Cassey, Dale and Marge Ruby, Donald Schreck and “Lewis &  
3 Ramona.”

4 On April 16, 2009, the Company filed information and documentation in response to the Staff  
5 Report (Ex. A-1).

6 On April 22, 2009, Beaver Dam filed additional information and schedules in support of the  
7 Company’s application (Ex. A-2).

8 On April 27, 2009, the hearing in this matter was held as scheduled. At the hearing, Mr.  
9 Frisby appeared on behalf of Beaver Dam and Staff appeared through counsel.

10 At the conclusion of the hearing, Staff and the Company were directed to file late-filed  
11 exhibits related to equipment leases and typical bill comparisons.

12 On May 11, 2009, Staff filed an Amended Staff Report addressing the equipment lease issue,  
13 as well as a revised revenue requirement and rate recommendation<sup>1</sup>.

14 \* \* \* \* \*

15 Having considered the entire record herein and being fully advised in the premises, the  
16 Commission finds, concludes, and orders that:

17 **FINDINGS OF FACT**

18 **Background**

19 1. On July 23, 2008, Beaver Dam filed an application to increase its rates and charges for  
20 water utility service provided to customers within its service area. Beaver Dam serves approximately  
21 443 total customers in an area of Mohave County, Arizona.

22 2. The majority of Beaver Dam’s customers are residential, 258 of whom are served by  
23 5/8-inch x 3/4-inch meters. Another 178 residential lots receive water service from Beaver Dam  
24 through a 6-inch meter under a master meter arrangement with the Beaver Dam Homeowners  
25 Association (“HOA”), whereby the HOA includes a fee for water service in its assessments to lot  
26

27 <sup>1</sup> We will admit the late-filed Amended Staff Report as Exhibit S-3 based on Staff’s representation therein that Beaver  
28 Dam does not oppose approval of the revenue requirement and rates contained in the Amended Staff Report. (See, Ex. S-3, at 5.)

1 owners.

2 3. The Beaver Dam service area is comprised of three systems, each of which currently  
3 have separate rate structures. Beaver Dam's original Certificate of Convenience and Necessity  
4 ("CC&N") was granted to Mr. Frisby dba Beaver Dam Water Company in Decision No. 55788  
5 (November 13, 1987). In that Decision, Mr. Frisby was described as the developer of the Beaver  
6 Dam Resort, located on approximately 130 acres in an area four miles east of Littlefield, Arizona.  
7 The Decision indicated that the Resort was expected to include a 32-room Beaver Dam Lodge, 206  
8 trailer lots, and 66 twin home cottages. (*Id.* at 2.) The original rates established in 1987 in Decision  
9 No. 55788 remain in effect today for the bulk of Beaver Dam's customers. Those rates include a  
10 minimum monthly fee of \$15.00 per month plus \$1.50 per 1,000 gallons of usage for 5/8-inch x 3/4-  
11 inch customers. For customers within the HOA, the rate is \$15.00 times the number of homeowners  
12 plus \$1.50 per 1,000 gallons of usage. (*Id.* at 6.)

13 4. In Decision No. 64662 (March 25, 2002), an application filed by Beaver Dam to  
14 extend its CC&N was approved by the Commission. Pursuant to that Decision, the Company was  
15 authorized to provide water service to a new 45-parcel subdivision, and to acquire approximately 25  
16 customers from the Virgin Valley Water District ("District"), a Nevada entity that was supplying  
17 water service to an area that straddled the Nevada/Arizona state border<sup>2</sup>. In approving the CC&N  
18 extension, the Commission determined that the rates for customers previously served by the District  
19 should be held at the levels charged by the District until Beaver Dam's next rate case filing. The  
20 rates for Beaver Dam's former District customers are currently \$13.30 per month, plus an inverted  
21 four-tier commodity structure that charges \$1.20 per gallon for the first 25,000 gallons per month for  
22 5/8-inch x 3/4-inch meter customers. (*Id.* at 4.)

23 5. The third rate group consists of approximately 22 customers that were acquired by  
24 Beaver Dam in 2005 from the former Littlefield Water Company ("Littlefield"). In Decision No.  
25 67577 (February 15, 2005), Beaver Dam was granted authority to extend its CC&N and to acquire  
26 Littlefield's assets and CC&N. Pursuant to that Decision, the former Littlefield customers are

27 <sup>2</sup> The customers served by the District were originally customers of the Mesquite Farmstead Water Association  
28 ("Mesquite"), which was certificated in Decision No. 56317 (January 12, 1989). Mesquite was dissolved, and its assets  
and liabilities transferred to the District, on July 1, 1993. (*See*, Decision No. 63662, at 5.)

1 charged the same rates previously in effect which, for 5/8-inch x 3/4-inch residential customers,  
 2 consist of a monthly minimum charge of \$17.00, with the first 4,000 gallons included, and \$1.50 per  
 3 1,000 gallons in excess of the first 4,000 gallons. (*See*, Decision No. 67577, at 7.)<sup>3</sup> Decision No.  
 4 67577 also authorized Beaver Dam to incur long-term indebtedness in an amount not to exceed  
 5 \$170,703. (*Id.* at 15.)

### 6 **Revenue Requirement**

7 6. For the test year ending December 31, 2007, Beaver Dam originally sought a gross  
 8 revenue increase of \$288,577 (136 percent over test year gross revenue of \$211,595). According to  
 9 the Company's application, it experienced an operating loss of \$189,093 during the test year based on  
 10 an adjusted Original Cost Rate Base ("OCRB") and Fair Value Rate Base ("FVRB") of \$957,636, for  
 11 a negative 19.75 percent rate of return. In its Amended Staff Report, Staff recommends a gross  
 12 revenue increase of \$136,043 (59.4 percent over test year gross revenue of \$229,086). Staff's  
 13 schedules show that Beaver Dam experienced an operating loss of \$75,470 during the test year based  
 14 on an OCRB and FVRB of \$258,030, for a negative 29.25 percent rate of return. Staff stated that the  
 15 Company is in agreement with the recommendations in the Amended Staff Report. (Ex. S-3, at 5.)

### 16 **Rate Base and Plant in Service Adjustments**

17 7. In the Staff Report, Staff stated that its audit revealed that Beaver Dam does not  
 18 maintain adequate records and could not produce supporting documentation for its plant additions<sup>4</sup>.  
 19 Staff also indicated that Beaver Dam's current recordkeeping is not in compliance with the National  
 20 Association of Regulatory Utility Commissioners ("NARUC") Uniform System of Accounts  
 21 ("USOA") and Staff recommends that the Company be ordered to maintain compliance with the  
 22 NARUC USOA. (Ex. S-3, at 4, 11.)

23 8. Staff made a number of adjustments to Beaver Dam's plant in service, resulting in a  
 24 net decrease of \$34,199 to the Company's proposal. The following adjustments were made by Staff  
 25 to arrive at its recommendation: removal of \$210,254 from the distribution reservoirs and standpipes  
 26

27 <sup>3</sup> The rates currently in effect for the former Littlefield customers were established in Littlefield's original CC&N docket  
 pursuant to Decision No. 47690 (December 9, 1976).

28 <sup>4</sup> According to Staff, the Company claimed to have lost its records for the period 1987 through 2001 during the Beaver  
 Dam Wash flood in 2005.

1 account; reclassification of \$75,551 from operating expenses to plant; removal of \$40,854 from  
 2 construction work in progress and reclassification to transmission and distribution mains account;  
 3 \$6,590 addition to the plant account for unrecorded plant assets; addition of \$162,312 for plant  
 4 erroneously removed for 2005 and 2006; and a \$6,357 increase for accumulated amortization of  
 5 contributions in aid of construction ("CIAC"). (*Id.* at 6.)

6 9. Staff made additional reductions to Beaver Dam's proposed rate base as follows: a  
 7 decrease to rate base of \$654,491 to reflect the Company's end-of-test-year Advances in Aid of  
 8 Construction ("AIAC") balance; a decrease of \$47,433 to reflect the Company's end-of-test-year  
 9 customer deposit balance; decrease of \$7,094 for accumulated depreciation; and removal of a  
 10 proposed \$45,332 working capital allowance. (*Id.* at 7.)

11 10. We find Staff's recommended adjustments to be reasonable, and we therefore adopt an  
 12 adjusted OCRB and FVRB of \$258,030 for Beaver Dam in this proceeding.

### 13 Operating Income

#### 14 Operating Revenue

15 11. Staff increased Beaver Dam's unmetered water revenue by \$17,491 to reflect  
 16 normalization of such revenues for the years 2005 through 2007<sup>5</sup>. (*Id.*) This adjustment results in  
 17 adjusted test year operating revenues for the Company of \$229,086, which we find to be reasonable  
 18 for purposes of this case.

#### 19 Operating Expenses

20 12. Staff made a number of adjustments to Beaver Dam's operating expenses, resulting in  
 21 a net decrease of \$96,133 to the Company's proposal. The following adjustments were made by Staff  
 22 to arrive at its recommendation: a decrease to repair and maintenance expense of \$41,679 to  
 23 reclassify engineering services costs to electrical equipment; a decrease to outside services expense of  
 24 \$18,208 to reclassify engineering services costs to wells and springs; removal of \$26,234 in water  
 25

26 <sup>5</sup> At the hearing, Mr. Frisby testified that Staff's revenue adjustment failed to recognize that the primary source of the test  
 27 year unmetered revenues was from homebuilders that have since finished building the projects for which the construction  
 28 water was used, and that very little revenue is expected in the foreseeable future from unmetered construction water sales  
 due to the slowdown in the building industry. (Tr. 18-22.) However, given the Company's agreement with the revenue  
 requirement and rates recommended by Staff in the Amended Staff Report (Ex. S-3, at 5), this issue is no longer in  
 dispute.

1 study costs from outside services expense; an increase to rate case expense of \$2,255 to reclassify the  
 2 costs from outside services expense and to normalize the expense; a decrease to water testing  
 3 expenses of \$3,056 and reclassification of the expense to wells and springs; a decrease to  
 4 transportation expense of \$2,997 to reflect undocumented test year expenses; a decrease to general  
 5 liability expense of \$9,320 to reflect the total documented test year expenses; a decrease to  
 6 miscellaneous expense of \$8,192 to remove duplicate purchased water, a WIFA loan fee, and for an  
 7 erroneous payment; an increase to depreciation expense of \$7,956 to reflect application of Staff's  
 8 recommended depreciation rates; an increase to taxes other than income tax expense of \$4,824 to  
 9 reflect calculation of such taxes on Staff's recommended adjusted test year salaries and wages; a  
 10 decrease to property tax expense of \$2,468 to reflect the Arizona Department of Revenue  
 11 methodology for water and wastewater utilities; a decrease to income tax expense of \$36,065 to  
 12 reflect calculation of such taxes on Staff's recommended test year taxable income; an increase to  
 13 miscellaneous expense of \$786 to reflect total documented test year expenses; an increase to health  
 14 and life insurance expense of \$8,000 to reflect total test year expenses; and an increase to equipment  
 15 rental expense of \$28,265 to reflect a known and measurable change in annual equipment lease  
 16 expenses (see discussion of this issue below). (Ex. S-3, at 8-9.)

17 Equipment Lease

18 13. At the hearing, Mr. Frisby testified that Staff's exclusion of costs associated with  
 19 construction equipment and vehicles failed to recognize the need for such equipment in making  
 20 repairs to Beaver Dam's system. Mr. Frisby stated that since the inception of the utility company, he  
 21 has provided the use of a pickup truck, a backhoe, dump truck, and related equipment owned by his  
 22 homebuilding company, Beaver Dam Development Company ("Beaver Dam Development"). (Tr.  
 23 22-28.) He indicated that the development company is getting out of the homebuilding business, and  
 24 therefore the equipment would no longer be available for use by Beaver Dam Water Company. Mr.  
 25 Frisby also testified that there were no other contractors or equipment rental providers in the vicinity  
 26 of the Beaver Dam's service area, especially for equipment such as a backhoe and dump truck. He  
 27 indicated it was possible the equipment owned by Beaver Dam Development could be sold or leased  
 28 to Beaver Dam Water Company as an alternative to the water company having to purchase new

1 equipment. (*Id.*)

2 14. Staff witness Aladi testified that Staff's original recommendation was to exclude all  
3 but a \$450 per month expense for a service truck. He stated that it was not clear to Staff that the  
4 Company needed access to other types of equipment on a full-time basis, and therefore no additional  
5 equipment expenses were recommended by Staff. (Tr. 63-67.) However, based on Mr. Frisby's  
6 testimony regarding the need for heavy equipment, and the approximately 17-mile distance between  
7 customers on the extreme ends of the Company's service area, Mr. Aladi agreed that an allowance for  
8 such equipment may be appropriate. (*Id.*)

9 15. Given the uncertainty surrounding the appropriateness of including heavy equipment  
10 costs in the Company's rates, the parties were given an opportunity to discuss the issue and file a late-  
11 filed exhibit. (Tr. 68-71.) As stated above, Staff filed an Amended Staff Report on May 11, 2009,  
12 with a revised recommendation to allow additional annual equipment rental expenses of \$28,265 in  
13 accordance with a lease agreement between Beaver Dam Development and Beaver Dam Water  
14 Company for the provision of a backhoe, dump truck and trailer. (Ex. S-3, at 5, Sched. BCA-38.)

15 16. We find Staff's recommended operating expense adjustments to be reasonable.

16 Net Operating Income

17 17. Consistent with the foregoing discussion, we will adopt adjusted test year operating  
18 expenses of \$304,555, which, based on test year revenues of \$229,086, results in test year adjusted  
19 operating income of negative \$75,470 (as rounded).

20 **AUTHORIZED INCREASE**

21 18. Based on our findings, we adopt Staff's overall revenue requirement recommendation,  
22 and determine that Beaver Dam is entitled to total operating revenue of \$365,129, a gross revenue  
23 increase of \$136,043 (59.39 percent above adjusted test year revenue of \$229,086). The revenue  
24 increase adopted herein would provide operating income to the Company of \$20,642, for an 8.0  
25 percent rate of return on rate base of \$258,030.

26 **Rate Design**

27 19. As evidenced by the discussion above, most of the customers within Beaver Dam's  
28 service area have not experienced an increase in water rates for more than 20 years, and for some

1 customers more than 30 years. In this proceeding, Beaver Dam proposed to combine all of its  
 2 customers under a single rate structure, a proposition with which Staff agrees. Set forth below is a  
 3 table that shows the current rates, Company proposed rates, and Staff's recommended rates, for  
 4 customers in each of the three rate groups, as identified by the Decision number under which the  
 5 current rates were authorized. Although the Company and Staff initially disagreed regarding the  
 6 appropriate level of rate relief, they are now in agreement that the recommendations in Staff's  
 7 Amended Staff Report should be adopted. (Ex. S-3, at 5.)

9	<b><u>MONTHLY CUSTOMER</u></b>	<u>Present Rates</u>	<u>Company</u>	<u>Staff</u>
	<b><u>CHARGE</u></b>		<u>Proposed</u>	<u>Recommended</u>
10	<b>Decision No. 55788</b>			
	Gallons in the minimum	—	—	—
	5/8" x 3/4" Meter	\$ 15.00	\$ 30.00	\$ 27.50
11	3/4" Meter	N/T	N/T	41.25
	1" Meter	N/T	N/T	68.75
12	1-1/2" Meter	N/T	N/T	137.50
	2" Meter	N/T	N/T	220.00
	3" Meter	N/T	N/T	440.00
13	4" Meter	120.00	1,000.00	687.50
	6" Meter (HOA)	15.00	30.00	1,375.00
14	8" Meter	N/T	N/T	2,200.00
	10" Meter	N/T	N/T	3,162.00
15	12" Meter	N/T	N/T	5,912.50
	<b>Decision No. 47690</b>			
16	Gallons in the minimum	4,000	—	—
	5/8" x 3/4" Meter	\$ 17.00	\$ 30.00	\$ 27.50
17	3/4" Meter	N/T	N/T	41.25
	1" Meter	N/T	N/T	68.75
	1-1/2" Meter	N/T	N/T	137.50
18	2" Meter	N/T	N/T	220.00
	3" Meter	N/T	N/T	440.00
19	4" Meter	N/T	N/T	687.50
	6" Meter	N/T	N/T	1,375.00
20	8" Meter	N/T	N/T	2,200.00
	10" Meter	N/T	N/T	3,162.00
21	12" Meter	N/T	N/T	5,912.50
	<b>Decision No. 64662</b>			
22	Gallons in the minimum	—	—	—
	5/8" x 3/4" Meter	\$ 13.30	\$ 30.00	\$ 27.50
	3/4" Meter	N/T	N/T	41.25
23	1" Meter	33.25	45.00	68.75
	1-1/2" Meter	66.50	400.00	137.50
24	2" Meter	126.35	500.00	220.00
	3" Meter	465.50	600.00	440.00
	4" Meter	731.50	1,000.00	687.50
25	6" Meter	997.50	1,600.00	1,375.00
	8" Meter	N/T	N/T	2,200.00
26	10" Meter	N/T	N/T	3,162.00
	12" Meter	N/T	N/T	5,912.50

**COMMODITY CHARGES**

	Present				Company Proposed			Staff Recommended		
	1 <sup>ST</sup> Tier	2 <sup>ND</sup> Tier	3 <sup>RD</sup> Tier	4 <sup>TH</sup> Tier	1 <sup>ST</sup> Tier	2 <sup>ND</sup> Tier	3 <sup>RD</sup> Tier	1 <sup>ST</sup> Tier	2 <sup>ND</sup> Tier	3 <sup>RD</sup> Tier
<b>Decision No. 55788</b>	\$ 1.50	\$ -	\$ -	\$ -	\$ 3.00	\$ 3.75	\$ 4.75	\$ 2.10	\$ 3.15	\$ 3.75
<b>TIER RATES</b>										
Gallons in the minimum	-	-	-	-	-	-	-	-	2	-
5/8" x 3/4" Meter	INFINITE	N/T	N/T	N/T	4,000	7,000	INFINITE	5,000	12,000	INFINITE
3/4" Meter	N/T	N/T	N/T	N/T	4,000	7,000	INFINITE	5,000	12,000	INFINITE
1" Meter	N/T	N/T	N/T	N/T	4,000	7,000	INFINITE		30,000	INFINITE
1-1/2" Meter	N/T	N/T	N/T	N/T	4,000	7,000	INFINITE		60,000	INFINITE
2" Meter	N/T	N/T	N/T	N/T	4,000	7,000	INFINITE		96,000	INFINITE
3" Meter	N/T	N/T	N/T	N/T	4,000	7,000	INFINITE		192,000	INFINITE
4" Meter	INFINITE	N/T	N/T	N/T	4,000	7,000	INFINITE		300,000	INFINITE
6" Meter	INFINITE	N/T	N/T	N/T	4,000	7,000	INFINITE		600,000	INFINITE
8" Meter	INFINITE	N/T	N/T	N/T	4,000	7,000	INFINITE		960,000	INFINITE
10" Meter	INFINITE	N/T	N/T	N/T	4,000	7,000	INFINITE		1,380,000	INFINITE
12" Meter	INFINITE	N/T	N/T	N/T	4,000	7,000	INFINITE		2,580,000	INFINITE
Bulk Water - per 1,000 Gallons	\$9.00 - All Gallons				\$9.00 - All Gallons			\$2.46 - All Gallons		

	Present				Company Proposed			Staff Recommended		
	1 <sup>ST</sup> Tier	2 <sup>ND</sup> Tier	3 <sup>RD</sup> Tier	4 <sup>TH</sup> Tier	1 <sup>ST</sup> Tier	2 <sup>ND</sup> Tier	3 <sup>RD</sup> Tier	1 <sup>ST</sup> Tier	2 <sup>ND</sup> Tier	3 <sup>RD</sup> Tier
<b>Decision No. 47690</b>	\$ 1.50	\$ 1.00	\$ 0.70	N/T	\$ 3.00	\$ 3.75	\$ 4.75	\$ 2.10	\$ 3.15	\$ 3.75
<b>TIER RATES</b>										
Gallons in the minimum	4,000	-	-	-	-	-	-	-	-	-
5/8" x 3/4" Meter	4,000	7,000	10,000	N/T	4,000	7,000	INFINITE	5,000	12,000	INFINITE
3/4" Meter	N/T	N/T	N/T	N/T	4,000	7,000	INFINITE	5,000	12,000	INFINITE
1" Meter	N/T	N/T	N/T	N/T	4,000	7,000	INFINITE		30,000	INFINITE
1-1/2" Meter	N/T	N/T	N/T	N/T	4,000	7,000	INFINITE		60,000	INFINITE
2" Meter	N/T	N/T	N/T	N/T	4,000	7,000	INFINITE		96,000	INFINITE
3" Meter	N/T	N/T	N/T	N/T	4,000	7,000	INFINITE		192,000	INFINITE
4" Meter	N/T	N/T	N/T	N/T	4,000	7,000	INFINITE		300,000	INFINITE
6" Meter	N/T	N/T	N/T	N/T	4,000	7,000	INFINITE		600,000	INFINITE
8" Meter	INFINITE	N/T	N/T	N/T	4,000	7,000	INFINITE		960,000	INFINITE
10" Meter	INFINITE	N/T	N/T	N/T	4,000	7,000	INFINITE		1,380,000	INFINITE
12" Meter	INFINITE	N/T	N/T	N/T	4,000	7,000	INFINITE		2,580,000	INFINITE
Bulk Water - per 1,000 Gallons	\$9.00 - All Gallons				\$9.00 - All Gallons			\$2.46 - All Gallons		

	Present				Company Proposed			Staff Recommended		
	1 <sup>ST</sup> Tier	2 <sup>ND</sup> Tier	3 <sup>RD</sup> Tier	4 <sup>TH</sup> Tier	1 <sup>ST</sup> Tier	2 <sup>ND</sup> Tier	3 <sup>RD</sup> Tier	1 <sup>ST</sup> Tier	2 <sup>ND</sup> Tier	3 <sup>RD</sup> Tier
<b>Decision No. 64662</b>	\$ 1.20	\$ 1.35	\$ 1.50	\$ 1.75	\$ 3.00	\$ 3.75	\$ 4.75	\$ 2.10	\$ 3.15	\$ 3.75
<b>TIER RATES</b>										
Gallons in the minimum	-	-	-	-	-	-	-	-	-	-
5/8" x 3/4" Meter	24,000	49,000	99,000	INFINITE	4,000	7,000	INFINITE	5,000	12,000	INFINITE
3/4" Meter	N/T	N/T	N/T	N/T	4,000	7,000	INFINITE	5,000	12,000	INFINITE
1" Meter	24,000	49,000	99,000	INFINITE	4,000	7,000	INFINITE		30,000	INFINITE
1-1/2" Meter	24,000	49,000	99,000	INFINITE	4,000	7,000	INFINITE		60,000	INFINITE
2" Meter	24,000	49,000	99,000	INFINITE	4,000	7,000	INFINITE		96,000	INFINITE
3" Meter	24,000	49,000	99,000	INFINITE	4,000	7,000	INFINITE		192,000	INFINITE
4" Meter	24,000	49,000	99,000	INFINITE	4,000	7,000	INFINITE		300,000	INFINITE
6" Meter	24,000	49,000	99,000	INFINITE	4,000	7,000	INFINITE		600,000	INFINITE

1	8" Meter	INFINITE	N/T	N/T	N/T	4,000	7,000	INFINITE	960,000	INFINITE
	10" Meter	INFINITE	N/T	N/T	N/T	4,000	7,000	INFINITE	1,380,000	INFINITE
	12" Meter	INFINITE	N/T	N/T	N/T	4,000	7,000	INFINITE	2,580,000	INFINITE
2	Bulk Water - per 1,000 Gallons		\$9.00 - All Gallons			\$9.00 - All Gallons			\$2.46 - All Gallons	

**SERVICE LINE AND METER INSTALLATION CHARGES**

	Present Rates Total	Company Proposed Charges	Staff Recommended		
			Service Line	Meter	Installation
5/8" x 3/4" Meter	\$ 225.00	\$ 558.00	\$ 425.00	\$ 155.00	\$ 580.00
3/4" Meter	N/T	N/T	445.00	255.00	700.00
1" Meter	N/T	700.00	445.00	255.00	700.00
1-1/2" Meter	N/T	880.00	460.00	420.00	880.00
2" Turbine Meter	N/T	1,380.00	615.00	765.00	1,380.00
2" Compound Meter	N/T	1,460.00	615.00	845.00	1,460.00
3" Turbine Meter	N/T	1,930.00	745.00	1,185.00	1,930.00
3" Compound Meter	N/T	2,010.00	745.00	1,265.00	2,010.00
4" Turbine Meter	1,375.00	2,935.00	1,050.00	1,885.00	2,935.00
4" Compound Meter	N/T	3,020.00	1,050.00	1,970.00	3,020.00
6" Turbine Meter	2,900.00	4,120.00	1,250.00	2,870.00	4,120.00
6" Compound Meter	N/T	5,960.00	1,250.00	4,710.00	5,960.00
8" Turbine	4,500.00	6,775.00	AT COST	AT COST	AT COST
10" Turbine	N/T	12,150.00	AT COST	AT COST	AT COST
12" Turbine	N/T	168,00.00	AT COST	AT COST	AT COST

**SERVICE CHARGES**

	Present Rates	Company Proposed	Staff Recommended
Establishment	\$ 35.00	\$ 55.00	\$ 35.00
Establishment (After Hours)	45.00	65.00	45.00
Reconnection (Delinquent)	50.00	75.00	50.00
Reconnection (Delinquent)- After Hours	N/T	N/T	65.00
Meter Test (If Correct)	20.00	40.00	25.00
Deposit - Note 1	*	*	*
Deposit Interest	*	*	*
Reestablishment (Within 12 Months)	**	**	**
NSF Check	10.00	25.00	25.00
Deferred Payment (Per Month)	N/T	1.50%	1.50%
Meter Re-read (If Correct)	10.00	15.00	15.00
Late Charge-Per Month	1.50%	1.50%	1.50%

\* Per Commission Rule A.A.C. R-14-2-403(B).

\*\* Months off system times the monthly minimum Per Commission Rule R14-2-403(D).

Public Comment by HOA Representative

20. At the hearing, Fran Moore, president of the Beaver Dam Homeowners Association, offered public comment opposing Staff's proposed rate design for the HOA. As explained above, the HOA currently receives service through a 6-inch master meter at a rate of \$15.00 per month per resident, plus a commodity charge of \$1.50 per 1,000 gallons for all usage. The HOA then bills its 178 members for water through individual assessments.

21. In its application, Beaver Dam proposed a flat \$30.00 per month charge for each of the HOA's members because not all of the members have individual meters, and it is therefore not possible currently to bill the members as individual customers. Mr. Frisby testified that when the

1 first phase (45 lots) of the resort was developed, no individual meters were installed. Although the  
2 remainder of the lots were built with individual meters, a later proposal by the Company to add  
3 meters for the first phase was met with resistance from the unmetered members because of concerns  
4 regarding the costs they believed would be assessed<sup>6</sup>. (Tr. 78-80.)

5 22. Staff's recommendation in the Amended Staff Report would assess a monthly  
6 minimum charge of \$1,375 to the HOA, plus commodity charges of \$3.15 per 1,000 gallons for the  
7 first 600,000 gallons, and \$3.75 per 1,000 gallons for usage over 600,000 gallons. (Ex. S-3, Sched.  
8 BCA-32.)

9 23. Ms. Moore stated that the HOA was concerned that the first tier of Staff's  
10 recommended inverted block design is not high enough, and would cause substantial increases in  
11 water rates. She suggested that the first tier block should be increased from 600,000 gallons to  
12 890,000 per month, to effectively allow each of the members 5,000 gallons per month in the first tier  
13 (*i.e.*,  $5,000 \times 178 = 890,000$ ).

14 24. We appreciate the comments offered on behalf of the HOA's members, but we believe  
15 the concerns are misplaced. Although the commodity rates for the HOA will be higher than for other  
16 individual residential customers under Staff's recommendation, because the HOA will not have any  
17 usage billed under the lower-price first tier, the new overall monthly minimum charge of \$1,375 will  
18 be substantially less than even the current rate on a per HOA member basis. As such, the HOA, and  
19 therefore its members, will incur a lower increase than other residential customers on the Beaver  
20 Dam system. We find Staff's recommended rate design to be appropriate under the facts presented in  
21 this case and Staff's recommendation will therefore be adopted.

#### 22 Rate Effect of Staff's Recommendations

23 25. Under Staff's recommended revenue requirement and rate design, with a move to a  
24 consolidated Company-wide rate structure, the impact on current customer rates will vary depending  
25 on the system in which customers are located and the rates under which they are currently charged.  
26 Within Beaver Dam's original CC&N area, with rates authorized in Decision No. 55788, a 5/8-inch x

27 \_\_\_\_\_  
28 <sup>6</sup> Mr. Frisby stated that the Company received a bid of approximately \$19,000 to install meters in the first phase of the resort development. (Tr. 79.)

1 ¾-inch residential customer with average usage of 15,279 gallons per month would experience an  
 2 increase of \$34.43, from \$37.92 to \$72.35 per month (90.8 percent). A customer with median usage  
 3 of 7,000 gallons per month served under the same Decision No. 55788 rate structure, would  
 4 experience an increase of \$18.80, from \$25.50 to \$44.30 per month (73.7 percent).

5 26. Within the area previously served by the Virgin Valley Water District, with rates  
 6 authorized in Decision No. 64662, a 5/8-inch x ¾-inch residential customer with average usage of  
 7 15,279 gallons per month would experience an increase of \$40.71, from \$31.64 to \$72.35 per month  
 8 (128.7 percent). A customer with median usage of 7,000 gallons per month served under the same  
 9 Decision No. 64662 rate structure, would experience an increase of \$22.60, from \$21.70 to \$44.30  
 10 per month (104.2 percent).

11 27. Within the area previously served by Littlefield Water Company, with rates authorized  
 12 in Decision No. 67577, a 5/8-inch x ¾-inch residential customer with average usage of 15,279  
 13 gallons per month would experience an increase of \$38.43, from \$33.92 to \$72.35 per month (113.3  
 14 percent). A customer with median usage of 7,000 gallons per month served under the same Decision  
 15 No. 67577 rate structure, would experience an increase of \$21.30, from \$23.00 to \$44.30 per month  
 16 (92.6 percent).

17 **Other Rate Case Issues**

18 28. Staff also recommends that the Commission approve the following items:  
 19 a. The Company should be authorized to collect from its customers a  
 20 proportionate share of any privilege, sales or use tax per Commission  
 21 Rule R14-2-409;  
 22 b. The Company should be authorized to adopt Staff's proposed service  
 23 line and meter installation charges, as set forth in Table C of Staff's  
 24 Engineering Report;  
 25 c. The Company should adopt the depreciation rates set forth in Table B  
 26 of the Staff Engineering Report;  
 27 d. The Company should be directed to maintain its records in accordance  
 28 with the NARUC USOA;  
 e. The Company should be required to file with Docket Control, as a  
 compliance item in this docket, a schedule of its approved rates and  
 charges within 30 days of the effective date of this Decision;  
 f. The Company should be directed to install a storage tank with a  
 storage capacity of 275,000 gallons for System No. 2 (PWS No. 08-  
 127) within two years of the effective date of this Decision, and the  
 Company should be required to file with Docket Control, as a

- 1 compliance item in this docket, within two years of the effective date  
2 of this Decision, a copy of the Approval of Construction issued by  
3 ADEQ for the storage facility; and  
4 g. The Company should be required in future Annual Reports to separate  
5 water use data and plant summary information for each of its water  
6 systems (including customer count information and bulk water sales).

7 29. Staff's recommendations, as described above in Finding of Fact No. 28, are reasonable  
8 and shall be adopted.

9 30. It is imperative that the Company's capital investments, revenues and expenses, as  
10 well as its general operations, be analyzed on a regular basis to avoid the magnitude of the rate  
11 increases that are being approved in this case. Although the customers of Beaver Dam's various  
12 systems have benefited from low rates that have been in effect for many years, the Company's failure  
13 to seek rate relief on a timely basis sends inappropriate cost signals to its customers. Adjusting rates  
14 to reflect actual costs can result in a sudden and substantial rate increase for customers in a difficult  
15 economic climate. In order to avoid a recurrence of this situation, and as a means of monitoring the  
16 Company's operations more closely, we believe it is appropriate to direct Beaver Dam to file a rate  
17 application by no later than June 30, 2012, with a test year of no later than calendar year 2011.

18 **Financing Application**

19 31. On May 27, 2008, Beaver Dam filed an application with the Commission for  
20 authorization to execute a loan agreement with WIFA.

21 32. On February 23, 2009, in accordance with the requirements of a Procedural Order  
22 issued January 23, 2009, Beaver Dam filed an affidavit attesting to the mailing of notice to each of its  
23 customers and publication of notice of its rate and financing applications in a publication of general  
24 circulation in the Company's service area.

25 33. On April 7, 2009, as amended on May 11, 2009, Staff issued a Staff Report  
26 recommending approval of the financing application subject to certain conditions.

27 34. In its financing application, Beaver Dam requested authority to obtain a WIFA loan in  
28 the amount of \$104,283 to fund construction of a 275,000 gallon storage facility.

35. According to the Staff Engineering Report, the Company's proposed WIFA loan  
would fund approximately 50 percent of the estimated cost of the storage facility, with the remainder

1 of the cost funded by a line extension agreement (38 percent) and an equity investment (12 percent)  
2 by Beaver Dam. (Ex. S-3, Attach. A.) According to Staff, Beaver Dam needs a minimum of 170,000  
3 gallons of storage capacity for its System No. 2 (PWS No. 08-127), and the Company claims the  
4 remainder of the Storage is needed for emergency backup and fire protection. Staff concluded that  
5 the proposed 275,000 gallons of additional storage capacity is appropriate. (*Id.*)

6 36. Staff stated that the proposed \$104,283 WIFA loan is expected to carry an interest rate  
7 of 3.675 percent per annum, over a 20-year period.

8 37. Staff also indicated that, as of December 31, 2007, Beaver Dam's capital structure  
9 consisted of no short-term debt, 67.7 percent long-term debt, and 32.3 percent equity. Staff's pro  
10 forma financial analysis indicates that, with the proposed WIFA loan, the Company's capital  
11 structure would consist of 1.1 percent short-term debt, 76.4 percent long-term debt, and 22.5 percent  
12 equity. (Ex. S-3, Sched. BCA-34.)

13 38. According to Staff, Beaver Dam's end of test year debt service coverage ("DSC")<sup>7</sup> and  
14 times interest earned ratio ("TIER")<sup>8</sup> are not meaningful for purposes of evaluating Beaver Dam's  
15 application. However, Staff's pro forma analysis shows that the Company's DSC would be 2.70 and  
16 its TIER 1.71 assuming the 20-year, 3.675 percent, \$104,283 WIFA loan was fully drawn. Staff  
17 stated that the Company's pro forma DSC and TIER indicate that cash flow from operations is  
18 sufficient to cover all obligations, including the proposed debt.

19 39. Staff concluded that issuance of the proposed debt financing for the purposes stated in  
20 the application is within the Company's corporate powers, is compatible with the public interest, is  
21 consistent with sound financial practices, and will not impair its ability to provide service. Staff  
22 recommended authorizing Beaver Dam to incur debt in an amount not to exceed \$104,283, at an  
23 interest rate not to exceed 5.00 percent, for a period of 18-to-22 years, to finance the water storage  
24 project discussed herein.

25 <sup>7</sup> DSC represents the number of times internally generated cash (*i.e.*, earnings before interest, income tax, depreciation  
26 and amortization expenses) covers required principal and interest payments on debt. A DSC greater than 1.0 indicates  
that operating cash flow is sufficient to cover debt obligations.

27 <sup>8</sup> TIER represents the number of times earnings before income tax expense covers interest expense on short-term and  
28 long-term debt. A TIER greater than 1.0 indicates that operating income is greater than interest expense. A TIER less  
than 1.0 is not sustainable in the long term, but does not necessarily mean that debt obligations cannot be met in the short  
term.

1           40.     Arizona Administrative Code (“A.A.C.”) R18-15-104 requires WIFA borrowers to  
 2 pledge their revenue sources to repay the financial assistance. A.R.S. § 40-285 requires public  
 3 service corporations to obtain Commission authorization to encumber certain utility assets. The  
 4 statute serves to protect captive customers from a utility’s act to dispose of any of its assets that are  
 5 necessary for the provision of service, and thus, it serves to preempt any service impairment due to  
 6 disposal of assets essential for providing service. In addition, pledging assets as security typically  
 7 provides benefits to the borrower in the way of increased access to capital funds or preferable interest  
 8 rates, and it is often an unavoidable condition of procuring funds for small or financially stressed  
 9 entities.

10           41.     Staff concluded that the Company’s proposed capital project is appropriate and that  
 11 the cost estimates provided by Beaver Dam are reasonable. However, Staff made no “used and  
 12 useful” determination of the proposed capital projects for ratemaking or rate base purposes.

13           42.     As a condition of approval, Staff also recommends that:

- 14
- 15           a.     Beaver Dam be authorized to engage in any transactions and to
  - 16           execute any documents necessary to effectuate the authorizations
  - 17           granted herein;
  - 18           b.     Beaver Dam be authorized to pledge its assets in the State of
  - 19           Arizona pursuant to A.R.S. § 40-285 and A.A.C. R18-15-104 in
  - 20           connection with the WIFA loan; and
  - 21           c.     Beaver Dam file with Docket Control, as a compliance item in this
  - 22           docket, copies of the loan documentation within 60 days of the
  - 23           execution of any financing transaction authorized herein;

24           43.     Staff’s recommendations regarding Beaver Dam’s financing application are reasonable  
 25 and should be approved.

### CONCLUSIONS OF LAW

26           1.     Beaver Dam is a public service corporation within the meaning of Article XV of the  
 27 Arizona Constitution and A.R.S. §§ 40-250, 40-251, 40-285, 40-301, 40-302, and 40-303.

28           2.     The Commission has jurisdiction over Beaver Dam and of the subject matter of the  
 applications discussed herein.

          3.     Notice of the applications was given in accordance with the law.



1	0 – 5,000 Gallons	2.10
	5,001 – 12,000 Gallons	3.15
2	Over 12,000 Gallons	3.75
	1-inch Meter	
3	0 to 30,000 Gallons	3.15
	Over 30,000 Gallons	3.75
4	1 1/2- inch Meter	
5	0 to 60,000 Gallons	3.15
	Over 60,000 Gallons	3.75
6	2-inch Meter	
	0 to 96,000 Gallons	3.15
7	Over 96,000 Gallons	3.75
	3-inch Meter	
8	0 to 192,000 Gallons	3.15
9	Over 192,000 Gallons	3.75
	4-inch Meter	
10	0 to 300,000 Gallons	3.15
	Over 300,000 Gallons	3.75
11	6-inch Meter	
	0 to 600,000 Gallons	3.15
12	Over 600,000 Gallons	3.75
	8-inch Meter	
13	0 to 960,000 Gallons	3.15
14	Over 960,000 Gallons	3.57
	10-inch Meter	
15	0 to 1,380,000 Gallons	3.15
	Over 1,380,000 Gallons	3.75
16	12-inch Meter	
17	0 to 2,580,000 Gallons	3.15
	Over 2,580,000 Gallons	3.75
18	Bulk Water – per 1,000 Gallons	2.46

19 **SERVICE LINE AND METER INSTALLATION CHARGES**

	<u>Service Line</u>	<u>Meter Installation</u>	<u>Total</u>	
20	5/8" x 3/4" Meter	\$ 425.00	\$ 155.00	\$ 580.00
	3/4" Meter	445.00	255.00	700.00
21	1" Meter	445.00	255.00	700.00
	1-1/2" Meter	460.00	420.00	880.00
22	2" Turbine Meter	615.00	765.00	1,380.00
	2" Compound Meter	615.00	845.00	1,460.00
23	3" Turbine Meter	745.00	1,185.00	1,930.00
	3" Compound Meter	745.00	1,265.00	2,010.00
24	4" Turbine Meter	1,050.00	1,885.00	2,935.00
	4" Compound Meter	1,050.00	1,970.00	3,020.00
25	6" Turbine Meter	1,250.00	2,870.00	4,120.00
	6" Compound Meter	1,250.00	4,710.00	5,960.00
26	8" Turbine	AT COST	AT COST	AT COST
27	10" Turbine	AT COST	AT COST	AT COST
28	12" Turbine	AT COST	AT COST	AT COST

**SERVICE CHARGES**

1	Establishment	\$	35.00
2	Establishment (After Hours)		45.00
3	Reconnection (Delinquent)		50.00
4	Reconnection (Delinquent)- After Hours		65.00
5	Meter Test (If Correct)		25.00
6	Deposit – Note 1		*
7	Deposit Interest		*
8	Reestablishment (Within 12 Months)		**
9	NSF Check		25.00
10	Deferred Payment (Per Month)		1.50%
11	Meter Re-read (If Correct)		15.00
12	Late Charge-Per Month		1.50%

\* Per Commission Rule A.A.C. R-14-2-403(B).

\*\* Months off system times the monthly minimum Per A.A.C. R14-2-403(D).

IT IS FURTHER ORDERED that the revised schedules of rates and charges shall be effective for all service rendered on and after December 1, 2009.

IT IS FURTHER ORDERED that Beaver Dam Water Company, Inc. shall notify its customers of the revised schedules of rates and charges authorized herein by means of an insert in its next regularly scheduled billing, or by separate billing, in a form acceptable to Staff.

IT IS FURTHER ORDERED that Beaver Dam Water Company, Inc. shall collect from its customers a proportionate share of any privilege, sales or use tax per A.A.C. R14-2-409.

IT IS FURTHER ORDERED that Beaver Dam Water Company, Inc. shall adopt the depreciation rates set forth in Table B of the Staff Engineering Report.

IT IS FURTHER ORDERED that Beaver Dam Water Company, Inc. shall maintain its records in accordance with the NARUC USOA.

IT IS FURTHER ORDERED that Beaver Dam Water Company, Inc. shall install a storage tank with a storage capacity of 275,000 gallons for System No. 2 (PWS No. 08-127) within two years of the effective date of this Decision, and the Company shall file with Docket Control, as a compliance item in this docket, within two years of the effective date of this Decision, a copy of the Approval of Construction issued by ADEQ for the storage facility.

IT IS FURTHER ORDERED that Beaver Dam Water Company, Inc. shall in future Annual

1 Reports to the Commission separate water use data and plant summary information for each of its  
2 water systems (including customer count information and bulk water sales).

3 IT IS FURTHER ORDERED that Beaver Dam Water Company, Inc. shall file a rate  
4 application by no later than June 30, 2012, with a test year of no later than calendar year 2011.

5 IT IS FURTHER ORDERED that Beaver Dam Water Company, Inc. is hereby authorized to  
6 incur long-term indebtedness in an amount up to \$104,283 pursuant to a loan agreement with WIFA,  
7 at an interest rate not to exceed 5.0 percent, for a term of 18 to 22 years, for the purpose of funding a  
8 275,000 storage tank, as described herein.

9 IT IS FURTHER ORDERED that the finance authority granted herein is expressly contingent  
10 upon Beaver Dam Water Company's use of the proceeds for the purposes stated in the application  
11 and approved herein.

12 IT IS FURTHER ORDERED that Beaver Dam Water Company, Inc. is authorized to pledge  
13 its assets in the state of Arizona pursuant to A.R.S. § 40-285 and A.A.C. R18-15-104 in connection  
14 with the loan approved herein.

15 IT IS FURTHER ORDERED that Beaver Dam Water Company, Inc. is authorized to engage  
16 in any transactions and to execute any documents necessary to effectuate the authorizations granted.

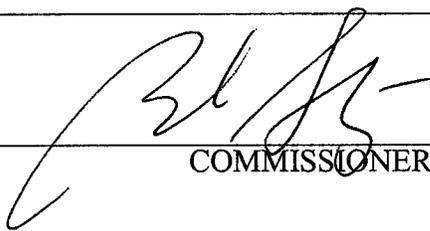
17 IT IS FURTHER ORDERED that Beaver Dam Water Company shall file with Docket  
18 Control, as a compliance item in this docket, copies of all executed financing documents related to  
19 this authority within 60 days after the date of execution.

20 ...  
21 ...  
22 ...  
23 ...  
24 ...  
25 ...  
26 ...  
27 ...  
28 ...

1 IT IS FURTHER ORDERED that approval of the financing set forth hereinabove does not  
2 constitute or imply approval or disapproval by the Commission of any particular expenditure of the  
3 proceeds derived thereby for purposes of establishing just and reasonable rates.

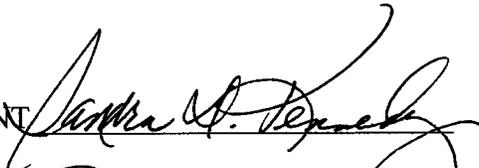
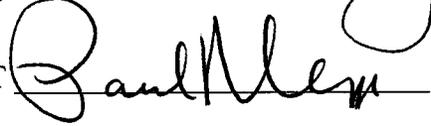
4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

6  
7  CHAIRMAN  COMMISSIONER  
8  
9  COMMISSIONER  
10 COMMISSIONER COMMISSIONER COMMISSIONER  
11

12 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,  
13 Executive Director of the Arizona Corporation Commission,  
14 have hereunto set my hand and caused the official seal of the  
15 Commission to be affixed at the Capitol, in the City of Phoenix,  
16 this 8<sup>th</sup> day of December, 2009.

17   
18 ERNEST G. JOHNSON  
19 EXECUTIVE DIRECTOR

20  DISSENT  
21  DISSENT  
22  
23  
24  
25  
26  
27  
28

1 SERVICE LIST FOR: BEAVER DAM COMPANY, INC.  
2 DOCKET NOS.: W-03067A-08-0266 and W-03067A-08-0380

3  
4 Bob Frisby, Manager  
5 BEAVER DAM WATER COMPANY, INC.  
6 P.O. Box 550  
7 Littlefield, AZ 86432-0550

8 Patricia and Gene Litton  
9 2787 Sierra Litton  
10 P.O. Box 1127  
11 Beaver Dam, AZ 86432

12 Dale & Marge Ruby  
13 P.O. Box 701  
14 Beaver Dam, AZ 86432

15 Lewis & Ramona  
16 598 Iron Wood  
17 Beaver Dam, AZ 86432

18 Mr. & Mrs. Earl Cassey  
19 517 Mimosa Ave.  
20 Beaver Dam, AZ 86432

21 Donald T. Schreck  
22 250 Jack Benny Way  
23 P.O. Box 446  
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25 Janice Alward, Chief Counsel  
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27 1200 W. Washington Street  
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Steve Olea, Director  
Utilities Division  
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