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Ronald L. McDonald

Pineview Water Company
5198 Cub Lake Road
Show Low, Arizona 92801
Telephone: 928-537-4858

General Manager of Pineview Water Company, Inc.

BEFORE THE ARIZONA CORPORATION COMMISSION

NR

IN THE MATER OF THE)	DOCKET NO. W-01676A-08-0366
APPLICATION OF PINEVIEW)	
WATER COMPANY, INC. FOR AN)	APPLICATION
INCREASE IN ITS WATER RATES)	

Pineview Water Company hereby provides the following response to the Staff Report filed on December 3, 2009 by the "Staff" of the Utilities Division of the Arizona Corporation Commission:

Pineview Water Company is in agreement with the Staff Report filed on December 3, 2009, with the following acceptations:

The Company agrees with Staff concerning the deletion of 'Meter Deposits' from the Company's Tariff. However, when the Company responded to Staff's First Data Request the Company noted that if Staff recommended the deletion of 'Meter Deposits' that the Staff would also recommend an increase in the Company's Hook-Up Fees. (See Attachment A)

In the Staff Report Staff deleted the 'Meter Deposits' and the Hook-Up fees.

The Company will not be able to make the Water Infrastructure Finance Authority Loan payments without the Hook-Up fees.

In addition, when we requested that the 'Meter Deposits' be deleted from the Company's Tariff Schedule we also requested that Staff Recommend an increase in Hook-Up fees. We ask that the Hook-Up fees be included and we still hope that, after further review, Staff will recommend an increase in the Hook-Up fees.

1 An Original and thirteen copies of the
2 foregoing filed this 23rd day
of December, 2009 with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, Arizona 85007

7 A copy of the foregoing filed
8 this 23rd day of December 2009 to:

9 Hearing Division
10 Arizona Corporation Commission
11 1200 W. Washington
Phoenix, Arizona 85007

12 Utilities Division
13 Arizona Corporation Commission
14 1200 West Washington
Phoenix, Arizona 85007

15 Legal Division
16 Arizona Corporation Commission
17 1200 West Washington
18 Phoenix, Arizona 85007

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Hook-Up Fee Report

Enclosed you will find the information concerning the collection and disbursement of the funds received via the Hook-Up Fee Tariff approved by the Commission in Decision # 67275 dated October 5, 2004..

The first Hook-Up Fee received, in the amount of \$500, was deposited on November 18, 2004.

The most recent Hook-Up Fees deposited were two \$500 fees for a total amount of \$1,000 deposited on December 5, 2008.

The Total Hook-Up Fees received by the Company as of May 7, 2009 is \$115,750.00

All Hook-Up fee revenues have gone to pay the WIFA loan payments that the Company used to construct new plant.

Since December 9, 2004 (First WIFA Payment after First Hook-Up Fee Received) until the most recent WIFA Payment auto withdrawn on May 7, 2009 the Total New Plant Loan amounts Paid come to \$375,519.86

As we noted in our application, we filed to remove the meter deposit fee due to the company having to pay these back in November when the company's revenues are way less.

However, to pay the WIFA payments we not only put all hook up fees in the hook up fee account we also place all meter deposits and all new account fees (establishments & security deposits). The Company still only brings in 30% of the WIFA payments. The rest of the revenue for the payments come from the general fund.

Our suggestion/request is to eliminate the refundable meter deposit which will save the company from having to do thousands of dollars of credits during the low revenue earning months. Our hope is that SALT will recommend an increase in the non-refundable hook up fee.

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