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GRANITE MOUNTAIN WATER COMPANY,
Arizona Corporation Commission

DOCKETED

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SEP 7 2010

2010 SEP -7 P 3: 35

DOCKETED BY

AZ CORP COMM. CLERK
DOCKET CONTROL

September 1, 2010

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

Re: Compliance items related to Granite Mountain Water Company's Rate and Financing Applications

Docket No: W-02467A-09-0333 ET AL.

W-02467A-09-0334

Honorable Commissioner(s),

Please find attached the following compliance items related to this docket;

- Certification of Customer Notification dated August 31st, 2010 (Exhibit A)
- ADEQ Approval of Construction for the new 50,000-gallon tank (Exhibit B)
- Attestation of manager Matthew Lauterbach regarding Arizona Revised Statutes, Commission Rules and compliance stipulations as set forth in the exhibit (Exhibit C)

Regards,

Matthew Lauterbach

Water Administrator

Granite Mountain Water Company

(928) 717-2616

Cc: Paul D. Levie, President, Granite Mountain Water Company

Physical Address
2465 Shane Drive
Prescott, AZ 86305

Mailing Address
PO Box 350
Chino Valley, AZ 86323

Phone (928) 717-2616
Fax (928) 717-2621
Email gmwc@leviegroup.com

Granite Mountain Water Company

PO Box 350 * Chino Valley Arizona 86323

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

August 31, 2010

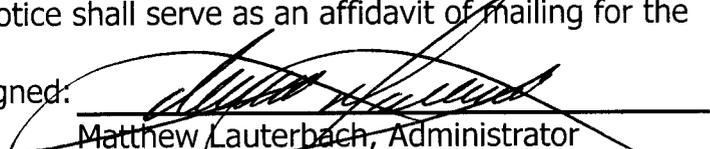
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007
DOCKET NO. W-02467A-09-0333 ET AL.

To the commission:

On August 31st, 2010 the customers of Granite Mountain Water Company, Inc. were notified of the Arizona Corporation Commission's approval of a rate increase, denial of a financing application and granting a line of credit, Docket Nos. W-02467A-09-0333 et al. The Customer Notice includes the approved rate schedules.

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 Lauterbach, Administrator
Granite Mountain Water Company, Inc.
P.O. Box 350
Chino Valley, AZ 86323
(928) 717-2619

Notary:

STATE OF ARIZONA)

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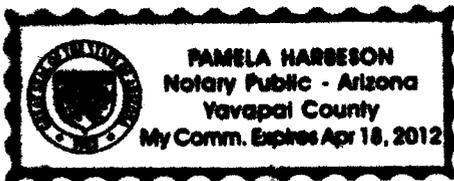
COUNTY OF YAVAPAI)

This instrument was acknowledged before me this 31st day of August, 2010 by Matthew Lauterbach, Administrator of Granite Mountain Water Company, Inc.

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


Notary

My Commission Expires: *April 18, 2012*



(Exhibit A)

CUSTOMER NOTICE

GRANITE MOUNTAIN WATER COMPANY, INC. 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 ("ACC") a Rate Application requesting a rate increase that would generate an additional \$14,797 in annual revenues. On the same date, Granite Mountain filed a Financing Application requesting authority to obtain a line of credit in the amount of \$125,000 and retroactive authority to issue three promissory notes totaling \$132,793.65.

The ACC approved a rate increase on August 24, 2010. The rates and charges will increase the monthly bill for a customer with a 5/8" x 3/4" meter and median usage of 5,429 gallons from \$44.72 to \$52.02, an increase of \$7.31 or 16.35 percent. A customer with a 5/8" x 3/4" meter and an average usage of 9,300 gallons will see an increase from \$60.20 to \$77.58, for an increase of \$17.38 or 28.87 percent. The approved rates and charges will be effective on or after September 1, 2010. Approval of the financing application was denied. A \$125,000 line of credit was approved to be used as a cash infusion into the Company by its owners/shareholders and shall include the outstanding amount in the books of Granite Mountain Water Company, Inc. as paid-in capital.

If you have questions regarding this notice, please contact Granite Mountain at 928-717-2616. Rates and charges for Granite Mountain will be as follows:

MONTHLY USAGE CHARGE:

5/8" x 3/4" Meter (All Classes)	\$ 25.00
3/4" Meter (All Classes)	37.50
1" Meter (All Classes)	62.50
1-1/2" Meter (All Classes)	125.00
2" Meter (All Classes)	200.00
3" Meter (All Classes)	400.00
4" Meter (All Classes)	625.00
6" Meter (All Classes)	1,250.00
Hydrant Meter (Individually Assigned)	By Meter Size
Standpipe (Not Individually Assigned)	None

COMMODITY RATES (Per 1,000 Gallons):
(Applicable to All Classes, Except Standpipe)

5/8" x 3/4" Meter

1 to 4,000 Gallons	\$4.40
4,001 to 10,000 Gallons	6.60
Over 10,000 Gallons	7.90

3/4" Meter

1 to 4,000 Gallons	\$4.40
4,001 to 10,000 Gallons	6.60
Over 10,000 Gallons	7.90

1" Meter

1 to 10,000 Gallons	\$6.60
Over 10,000 Gallons	7.90

1 1/2" Meter

1 to 20,000 Gallons	\$6.60
Over 20,000 Gallons	7.90

2" Meter

1 to 40,000 Gallons	\$6.60
Over 40,000 Gallons	7.90

3" Meter

1 to 144,000 Gallons	\$6.60
Over 144,000 Gallons	7.90

4" Meter

1 to 225,000 Gallons	\$6.60
Over 225,000 Gallons	7.90

6" Meter

1 to 450,000 Gallons	\$6.60
Over 450,000 Gallons	7.90

Standpipe Water (Not Individually Assigned)

All Usage, Per 1,000 Gallons	\$7.90
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SERVICE LINE & METER INSTALLATION CHARGES:

(Refundable pursuant to A.A.C. R14-2-405)

	<u>Service Line</u>	<u>Meter Charge</u>	<u>Total Charge</u>
5/8" x 3/4" Meter	\$ 405.00	\$ 95.00	\$ 500.00
3/4" Meter	413.00	162.00	575.00
1" Meter	441.00	209.00	650.00
1 1/2" Meter	395.00	321.00	716.00
2" Meter	727.00	845.00	1,572.00
3" Meter	952.00	1,448.00	2,400.00
4" Meter	1,310.00	2,206.00	3,516.00
6" Meter	2,160.00	4,756.00	6,916.00

SERVICE CHARGES:

Establishment	\$25.00
Establishment (After Hours)	35.00
Reconnection (Delinquent)	35.00
Reconnection (Delinquent) (After Hours)	45.00
Meter Test (If Correct)	35.00
Deposit	*
Deposit Interest	*
Re-Establishment (within 12 mos.)	**
NSF Check	20.00
Deferred Payment (per month)	1.00%
Meter Re-Read (If Correct)	15.00
Late Fee (per month)	***

* Per Commission rule A.A.C. R14-2-403(B)

** Number of months off system times monthly minimum, per A.A.C. R14-2-403(D)

*** 1.50 percent of the unpaid balance per month

The Company is authorized to collect from its customers a proportionate share of any privilege, sales, or use tax, as provided for in A.A.C. R14-2-409(D)



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF APPROVAL TO CONSTRUCT
WATER FACILITIES

Page 1 Of 3

ADEQ File No: 20080542	LTF No: 48840
System Name: Granite Mountain Water Co	System Number: 13-150
Project Owner: Paul Levie	
Address: 2465 W. Shane Dr., Prescott, AZ 86305	
Project Location: Prescott	County: Yavapai
Description: GRANITE MOUNTAIN WATER COMPANY. ATC PERMIT TO CONSTRUCT 1-50,000 GALLON STORAGE TANK AND ASSOCIATED YARD PIPING. TO SERVE 175 SINGLE-FAMILY RESIDENTIAL LOTS IN THE COMMUNITY OF PRESCOTT VALLEY.	

Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 6 continued on page 2 through 3

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional Office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin. Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by: FMS

By: Janak K. Desai 2/17/2010
Janak K. Desai, P.E. Unit Manager Date
Engineering Review Section
Water Quality Division

cc: File No : 20080542
Regional Office: Central
Owner: Paul Levie
County Health Department: Yavapai
Engineer: Glen Vortherms
Planning and Zoning/Az Corp. Commission
Engineering Review Database - Etr021

(Exhibit B)

**APPROVAL TO CONSTRUCT
STORAGE TANKS & YARD PIPING
ADEQ FILE No. 20080542
PAGE 2 OF 3: PROVISIONS CONTINUED**

5. Approval of Construction (AOC) will not be issued until data is obtained and verified for Pressure and Leakage Tests of waterlines and Disinfection Sampling of constructed well, storage and hydropneumatic tanks, booster pumps and potable water lines. **Engineering Bulletin No. 10, Chapter 2.E.20, Disinfection Requirements**; requires that... "Every new, modified or reconditioned groundwater source shall be disinfected after placement of final pump equipment". Information on disinfection procedures can be obtained from "**Engineering Bulletin No. 8, "Disinfection of Water Systems"**".

It is recommended that the Engineer's Certificate of Completion (ECC) Data Required Sheet be completed in full, showing actual pressures and sampling data. Data required with ECC sheet can be found under heading - Safe Drinking Water and subheading - Technical Engineering/Plan Reviews

<http://www.azdeq.gov/function/forms/appswater.html#sdw>.

6. Before construction of a modification, expansion, or alteration of this distribution system begins, a separate Approval to Construct applicable to each addition must be obtained. A.A.C. R18-5-505(B). The Arizona Department of Environmental Quality's review of this application was subject to the requirements of the licensing time frames ("LTF") statute under Arizona Revised Statutes ("A.R.S.") § 41-1072 through § 41-1079 and the LTF rules under Arizona Administrative Code ("A.A.C.") R18-1-501 through R18-1-525. This Notice is being issued within the overall time frame for your application.

ADEQ hereby approves your application for Approve to Construct Drinking Water Facilities under A.R.S. § 49-351. Your copy is enclosed.

This decision is an appealable agency action under A.R.S. § 41-1092. You have a right to request a hearing and file an appeal under A.R.S. § 41-1092.03(B). You must file a written Request for Hearing or Notice of Appeal within **30 days** of your receipt of this Notice. A Request for Hearing or Notice of Appeal is filed when it is received by ADEQ's Hearing Administrator as follows:

Judith Fought, Hearing Administrator
Office of Administrative Counsel
Arizona Department of Environmental Quality
1110 W. Washington Street
Phoenix, AZ 85007

**APPROVAL TO CONSTRUCT
STORAGE TANKS & YARD PIPING
ADEQ FILE No. 20080542
PAGE 3 OF 3: PROVISIONS CONTINUED**

The Request for Hearing or Notice of Appeal shall identify the party, the party's address, the agency and the action being appealed and shall contain a concise statement of the reasons for the appeal. Upon proper filing of a Request for Hearing or Notice of Appeal, ADEQ will serve a Notice of Hearing on all parties to the appeal. If you file a timely Request for Hearing or Notice of Appeal you have a right to request an informal settlement conference with ADEQ under A.R.S. § 41-1092.06. This request must be made in writing no later than **20 days** before a scheduled hearing and must be filed with the Hearing Administrator at the above address.

Please contact Frank M. Smaila at (602) 771-4237 or fms@azdeq.gov if you have questions regarding this Notice or the Certificate of Approved to Construct.

ATTESTATION

First and Last Name: Matthew Lauterbach Title: Water Administrator

First day involved in management/operations of GMWC: Sept 22, 2008

I hereby attest, under oath or affirmation:

1. That I have read the Arizona statutes pertaining to public service corporations (Arizona Revised Statutes, Title 40, Chapter 2);
2. That I have read the Arizona Corporation Commission rules pertaining to water utilities (Arizona Administrative Code Title 14, Chapter 2, Article 4);
3. That I understand that Granite Mountain Water Company, Inc. ("GMWC") must read each meter on its water system every month and must bill each account on its water system for service every month;
4. That I understand that GMWC must charge for all water provided on its system in accordance with GMWC's tariff on file with the Commission; and
5. That I understand that GMWC is prohibited from issuing stocks and stock certificates, bonds, notes, or other evidences of indebtedness payable at periods of more than 12 months after the date of execution/issuance without first obtaining a Commission order approving such issuance.

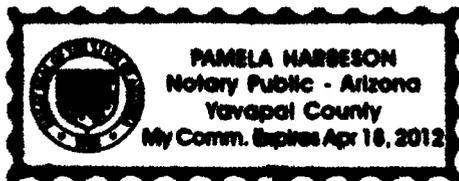
Signature: _____

Date: 08/04/2010

State of Arizona
County of Yavapai

Subscribed and sworn (or affirmed) before me this 4th day of August, 20 10.

(seal)



Pamela Harbeson
Notary Public