

ORIGINAL



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2011 MAY -2 P 3: 56

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8  
9 **COMMISSIONERS**

10 GARY PIERCE, CHAIRMAN  
11 PAUL NEWMAN  
12 SANDRA D. KENNEDY  
13 BOB STUMP  
14 BRENDA BURNS

Arizona Corporation Commission

**DOCKETED**

**MAY 2 2011**



15 IN THE MATTER OF THE APPLICATION OF  
16 INDIADA WATER COMPANY, INC., FOR  
17 APPROVAL OF A PERMANENT INCREASE  
18 IN ITS WATER RATES.

DOCKET NO. W-02031A-10-0168

19 IN THE MATTER OF THE APPLICATION OF  
20 ANTELOPE RUN WATER COMPANY FOR  
21 APPROVAL OF A PERMANENT INCREASE  
22 IN ITS WATER RATES.

DOCKET NO. W-02327A-10-0169

23 IN THE MATTER OF THE APPLICATION OF  
24 BOB B. WATKINS DBA EAST SLOPE  
25 WATER COMPANY FOR APPROVAL OF  
26 ITS PERMANENT INCREASE IN ITS  
27 WATER RATES.

DOCKET NO. W-01906A-10-0170

28 IN THE MATTER OF THE APPLICATION OF  
BOB B. WATKINS DBA EAST SLOPE  
WATER COMPANY, INDIADA WATER  
COMPANY, INC., AND ANTELOPE RUN  
WATER COMPANY FOR APPROVAL OF A  
TRANSFER OF ASSETS AND

DOCKET NO. W-01906A-10-0171  
DOCKET NO. W-02031A-10-0171  
DOCKET NO. W-02327A-10-0171

1 CERTIFICATES OF CONVENIENCE AND  
2 NECESSITY.

3 IN THE MATTER OF THE APPLICATION OF  
4 BOB B. WATKINS DBA EAST SLOPE  
5 WATER COMPANY FOR AUTHORITY TO  
6 INCUR LONG-TERM DEBT.

DOCKET NO. W-01906A-10-0183

6 IN THE MATTER OF THE APPLICATION OF  
7 INDIADA WATER COMPANY, INC. FOR  
8 AUTHORITY TO INCUR LONG-TERM  
9 DEBT.

DOCKET NO. W-02031A-10-0184

9 IN THE MATTER OF THE APPLICATION OF  
10 ANTELOPE RUN WATER COMPANY FOR  
11 AUTHORITY TO INCUR LONG-TERM  
12 DEBT.

DOCKET NO. W-02327A-10-0185

**COMPANIES' NOTICE OF  
MAILING AND PUBLICATION  
OF PUBLIC NOTICE OF  
HEARING**

14  
15 The East Slope Water Company, Indiada Water Company, and Antelope Run  
16 Water Company ("Companies"), hereby submit this notice of mailing and publication of  
17 the public notice of hearing as required in the procedural order dated March 23, 2011.

18  
19 An affidavit verifying that the Companies mailed to each known customer the public  
20 notice of hearing by First Class U.S. Mail on April 11, 2011 is set forth in Attachment 1.

21  
22 An affidavit verifying that the public notice was published in the Sierra Vista Herald and  
23 the Bisbee Daily Review on April 14, 2011 is set forth in Attachment 2.

24  
25 RESPECTFULLY SUBMITTED this 2<sup>nd</sup> day of May, 2011.

26 **MOYES SELLERS LTD.**

27   
28 Steve Wene

Attorneys for the Companies

1 Original and 15 copies of the foregoing  
2 filed this 2<sup>nd</sup> day of May, 2011, with:

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

7 Copy of the foregoing mailed this  
8 2<sup>nd</sup> day of May, 2011, to:

9 Robin Mitchell, Attorney  
10 Legal Division  
11 Arizona Corporation Commission  
12 1200 W. Washington Street  
13 Phoenix, Arizona 85007  
14 [rmitchell@azcc.gov](mailto:rmitchell@azcc.gov)

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# **Attachment 1**

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**AFFIDAVIT**

STATE OF ARIZONA     )  
  )     ss.  
County of Pima         )

I, the undersigned, after being first duly sworn upon my oath, hereby affirm as follow:

- 1) I am over the age of eighteen.
- 2) I have personal knowledge of the statements set forth herein and I am competent to testify at a hearing or trial with respect to the same.
- 3) I certify that on behalf of East Slope Water Company, Antelope Run Water Company, and Indiada Water Company (Companies), on 04/11/2011, I caused to be mailed to each of the the Companies' customers notice of hearing attached hereto.

DATED this 12 day of April, 2011.

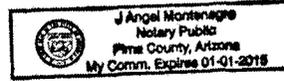
  
 Paul Juhl, Office Manager  
 Southwestern Utility Management, Inc.

SUBSCRIBED AND SWORN TO before me, a Notary Public, this \_\_\_ day of April, 2011.

  
 \_\_\_\_\_  
 Notary Public

My Commission Expires:

1/1/15



**PUBLIC NOTICE OF HEARING ON THE APPLICATIONS OF  
BOB B. WATKINS, D/B/A EAST SLOPE WATER COMPANY;  
ANTELOPE RUN WATER COMPANY; AND  
INDIADA WATER COMPANY, INC.,  
FOR RATE INCREASES, FOR THE TRANSFER OF ASSETS  
AND CERTIFICATES OF CONVENIENCE AND NECESSITY,  
AND AUTHORIZATION OF LONG-TERM DEBT.**

**DOCKET NO. W-02031A-10-0168  
DOCKET NO. W-02327A-10-0169  
DOCKET NO. W-01906A-10-0170  
DOCKET NO. W-01906A-10-0171  
DOCKET NO. W-02031A-10-0171  
DOCKET NO. W-02327A-10-0171  
DOCKET NO. W-01906A-10-0183  
DOCKET NO. W-02031A-10-0184  
DOCKET NO. W-02327A-10-0185**

**Summary**

On April 30, 2010, Bob B. Watkins d/b/a East Slope Water Company (“ESWC”), Antelope Run Water Company (“ARWC”), and Indiada Water Company, Inc. (“IWC”), filed with the Arizona Corporation Commission (“Commission”) applications for an increase in their rates. On the same date, ESWC, ARWC and IWC filed a joint application for transfer of assets and certificates of convenience and necessity in order to consolidate operations of the three companies. On May 7, 2010, ESWC, ARWC and IWC each filed applications for authority to incur long-term debt. The applications have been consolidated for purpose of the hearing.

**Consolidation (Docket Nos. W-01906A-10-0171; W-02031A-10-0171; W-02327A-10-0171)**

If the application to transfer assets and certificates of convenience and necessity is granted, the operations and rates of ESWC, ARWC and IWC would be consolidated. If the consolidated rates as proposed are adopted, ESWC and ARWC customers would receive a rate increase as described below, while the current IWC customers would experience a decrease as described below. If consolidation is not approved, each company has requested rate increases based on stand alone operations as described below.

**Bob B. Watkins d/b/a East Slope Water Company (Rate Application: Docket No. W-01906A-10-0170)**

On a stand-alone basis, ESWC is requesting a revenue increase equal to \$331,372, a 160.33 percent increase over its revenues for the twelve month period ended December 31, 2009. Under ESWC’s proposal in its rate application, and if consolidation of operations is not approved, the median ESWC residential customer with a 5/8 x 3/4-inch meter using 5,330 gallons of water a month, would experience an increase in the monthly bill of \$10.78, from \$22.29 to \$33.07, an increase of 48.35 percent.

If the request to transfer assets from ARWC and IWC to ESWC is approved, under the companies' proposal, current ESWC residential customers with a 5/8 x 3/4-meter would see a monthly increase of \$12.98, or 58.21 percent, from \$22.29 to \$35.27.

**Customers using less or more water than the median usage per month will experience a lower or higher percent increase depending on their usage.**

**Antelope Run Water Company (Rate Application: Docket No. W-02327A-10-0169)**

On a stand-alone basis, ARWC is requesting a revenue increase equal to \$90,065, a 182.85 percent increase over its revenues for the twelve month period ended December 31, 2009. Under ARWC's proposal in its rate application, and if consolidation of operations is not approved, the median ARWC residential customer with a 5/8 x 3/4-inch meter using 6,900 gallons of water a month, would experience an increase in the monthly bill of \$19.47, from \$23.98 to \$43.45, an increase of 81.19 percent.

Under the request to transfer assets and consolidate operations, the companies propose rates under which current ARWC residential customers with a 5/8 x 3/4-inch meter would see a monthly increase of \$17.30, or 72.14 percent, from \$23.98 to \$41.28.

**Customers using less or more water than the median usage per month will experience a lower or higher percent increase depending on their usage.**

**Indiada Water Company (Rate Application: Docket No. W-02031A-10-0168)**

On a stand-alone basis, IWC is requesting a revenue increase equal to \$29,922, a 106.82 percent increase over its revenues for the twelve month period ended December 31, 2009. Under IWC's proposal in its rate application, and if consolidation of operations is not approved, the median IWC residential customer with a 5/8 x 3/4-inch meter using 5,260 gallons of water a month, would experience an increase in the monthly bill of \$24.07, from \$37.74 to \$61.81, an increase of 63.79 percent.

Under the request to transfer assets and consolidate operations, the companies propose rates under which current IWC residential customers with a 5/8 x 3/4-inch meter would see a monthly decrease of \$2.75, or (7.25) percent, from \$37.74 to \$35.00.

**Finance Applications (Docket Nos. W-01906A-10-0183, W-02031A-10-0184, W-02327A-10-0185)**

ESWC, ARWC and IWC have applied to the Commission for authorization to incur a combined total of not more than \$3,000,000 in long-term debt to finance repairs and improvements to each companies' water system.

**The Commission's Utilities Division Staff has not yet made recommendations regarding the rate proposals, the consolidation request and the financing proposals and the Commission will determine the appropriate relief to be granted based on the evidence of record in this proceeding. The Commission is not bound by the proposals made by the ESWC, ARWC,**

**IWC, Staff, or any intervenors and, therefore, the final rates approved in this docket may be lower or higher than the rates described above.**

If you have any questions concerning how ESWC's, ARWC's and IWC's rate proposals, consolidation request and/or finance proposals will affect your bill or have other substantive questions about these applications, you may contact them at: **Southwest Utility Management Company, attention Bonnie O'Connor, 2102 N. Forbes Blvd., Ste., 107, Tucson, Arizona 85745, [swumgmt.aol.com](mailto:swumgmt.aol.com), 520-623-5172.**

### **How You Can View or Obtain a Copy of the Applications**

Copies of the applications and proposed tariffs are available at the ESWC's, ARWC's and IWC's offices at **2102 N. Forbes Blvd., Ste. 107, Tucson, Arizona 85745** and at the Commission's Docket control Center at 1200 West Washington, Phoenix, Arizona and its Tucson offices, 400 West Congress, Suite 218, Tucson, Arizona and on the internet via the Commission website ([/www.azcc.gov/](http://www.azcc.gov/)) using the e-docket function.

### **Public Hearing Information**

The Commission will hold a hearing on this matter beginning **September 14, 2011, at 10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress, Tucson, Arizona.

Public comments will be taken at the beginning of the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket Nos. W-02031A-10-0168, W-2327A-10-0169, W-01906A-10-0170, W-01906A-10-0171, W-02031A-10-0171, W02327A-10-0171, W-01906A-10-0183, W-02031A-10-0184 and W-02327A-10-0185 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to [http://www.azcc.gov/divisions/utilities/forms/public\\_comment.pdf](http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf). If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or (520) 628-6550.

### **About Intervention**

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission no later than **July 15, 2011**, and a copy of the motion to ESWC, ARWC and IWC or its counsel and to all parties of record. Your motion must contain the following:

1. Your name, address, and telephone number and the name, address and telephone number of any party upon whom service of documents is to be made, if not yourself.
2. A short statement of your interest in the proceeding (e.g., a customer of the companies, a shareholder of the companies, etc.).
3. A statement certifying that you have mailed a copy of the motion to intervene to the companies or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before July 15, 2011. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

**ADA/Equal Access Information**

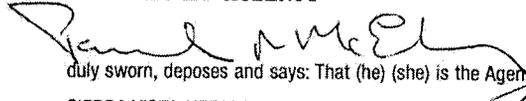
The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator Shaylin Bernal, email [sabernal@azcc.gov](mailto:sabernal@azcc.gov), voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

# **Attachment 2**

STATE OF ARIZONA )  
                          ) :ss.  
COUNTY OF COCHISE )

**AFFIDAVIT OF PUBLICATION**

PAMELA M. MCELROY



being first

duly sworn, deposes and says: That (he) (she) is the Agent to the Publisher of the SIERRA VISTA HERALD and the BISBEE DAILY REVIEW newspapers printed and published six days a week in the County of Cochise, State of Arizona, and of general circulation in the cities of Sierra Vista and Bisbee, County of Cochise, State of Arizona and elsewhere, and hereto attached

PUBLIC NOTICE OF  
HEARING ON THE  
APPLICATION OF  
BOB B. WATKINS

was printed and published correctly in the regular and entire issue of said SIERRA VISTA HERALD and BISBEE DAILY REVIEW for <sup>1</sup> issues, that the first was made on the 14<sup>th</sup> day of APRIL 20 11 and the last publication thereof was made on the 14<sup>th</sup> day of APRIL 20 11 that said publication was made on each of the following dates, to wit:

04/14/11

Request of LEGAL (PRIVATE PARTY)

SIERRA VISTA **HERALD** BISBEE DAILY **REVIEW**

By



Subscribed sworn to before me this 14<sup>th</sup> day of APRIL 20 11



Notary Public in and for the County of Cochise, State of Arizona

My Commission Expires:

5/21/12

