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AZ CORP COMMISSION  
DOCKET CONTROL

1 FENNEMORE CRAIG, P.C.  
 Jay L. Shapiro (No. 014650)  
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 3 Suite 2600  
 Phoenix, Arizona 85012  
 4 Attorneys for Applicants

**BEFORE THE ARIZONA CORPORATION COMMISSION**

8 IN THE MATTER OF THE APPLICATION  
 OF BELLA VISTA WATER CO., INC. AN  
 9 ARIZONA CORPORATION, FOR A  
 DETERMINATION OF THE FAIR VALUE  
 10 OF ITS UTILITY PLANTS AND PROPERTY  
 AND FOR INCREASES IN ITS WATER  
 11 RATES AND CHARGES FOR UTILITY  
 SERVICE BASED THEREON.

DOCKET NO. W-02465A-09-0411

12 IN THE MATTER OF THE APPLICATION  
 13 OF NORTHERN SUNRISE WATER  
 14 COMPANY, INC., AN ARIZONA  
 15 CORPORATION, FOR A DETERMINATION  
 16 OF THE FAIR VALUE OF ITS UTILITY  
 17 PLANTS AND PROPERTY AND FOR  
 18 INCREASES IN ITS WATER RATES AND  
 19 CHARGES FOR UTILITY SERVICE BASED  
 20 THEREON.

DOCKET NO. W-20453A-09-0412

21 IN THE MATTER OF THE APPLICATION  
 22 OF SOUTHERN SUNRISE WATER  
 23 COMPANY, INC., AN ARIZONA  
 24 CORPORATION, FOR A DETERMINATION  
 25 OF THE FAIR VALUE OF ITS UTILITY  
 26 PLANTS AND PROPERTY AND FOR  
 INCREASES IN ITS WATER RATES AND  
 CHARGES FOR UTILITY SERVICE BASED  
 THEREON.

DOCKET NO. W-20454A-09-0413

Arizona Corporation Commission

DOCKETED

JUN 30 2011

DOCKETED BY

1 IN THE MATTER OF THE JOINT  
2 APPLICATION OF BELLA VISTA WATER  
3 CO., INC., NORTHERN SUNRISE WATER  
4 COMPANY, INC., AND SOUTHERN  
5 SUNRISE WATER COMPANY, INC. FOR  
6 APPROVAL OF AUTHORITY TO  
7 CONSOLIDATE OPERATIONS, AND FOR  
8 THE TRANSFER OF UTILITY ASSETS TO  
9 BELLA VISTA WATER CO., INC.  
10 PURSUANT TO ARIZONA REVISED  
11 STATUTES 40-285.

DOCKET NO. W-02465A-09-0414  
DOCKET NO. W-20453A-09-0414  
DOCKET NO. W-20454A-09-0414

**NOTICE OF COMPLIANCE**

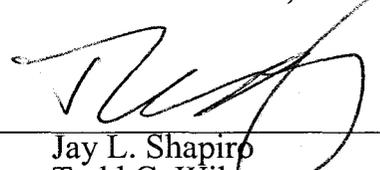
8 Pursuant to Decision No. 72251 (April 7, 2011) ("Order") Bella Vista Water Co.,  
9 Inc. ("BVWC") hereby submits this Notice of Compliance in the above-reference matter.  
10 Attached as **Exhibit A** is BVWC's revised tariff of rates and charges, which includes the  
11 Alternate Rates for Water Tariff and Hook-Up Fee Tariff.

12 Also in accordance with the Order, customers were notified of the revised rates and  
13 charges and of the consolidation of BVWC, Northern Sunrise Water Company ("NSWC")  
14 and Southern Sunrise Water Company ("SSWC"). See **Exhibit B**. The notice was mailed  
15 to BVWC's existing customer base on April 23, 2011 and April 29, 2011. The notice was  
16 also mailed to NSWC's former customers on April 22, 2011, and to SSWC's former  
17 customers on April 26, 2011.

18 DATED this 30 day of June, 2011.

19 FENNEMORE CRAIG, P.C.

20  
21 By \_\_\_\_\_

  
Jay L. Shapiro  
Todd C. Wiley  
3003 North Central Avenue  
Suite 2600  
Phoenix, Arizona 85012  
Attorneys for Bella Vista Water Co., Inc.,  
Northern Sunrise Water Company, Inc.,  
and Southern Sunrise Water Company,  
Inc.

1 **ORIGINAL** and thirteen (13) copies  
2 of the foregoing were filed  
3 this 30 day of June, 2011, with:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 W. Washington St.  
6 Phoenix, AZ 85007

5 **COPY** of the foregoing hand-delivered  
6 this 30 day of June, 2011, to:

7 Robin Mitchell, Esq.  
8 Legal Division  
9 Arizona Corporation Commission  
10 1200 W. Washington Street  
11 Phoenix, AZ 85007

10 Carmel Hood, Compliance  
11 Utilities Division  
12 Arizona Corporation Commission  
13 1200 W. Washington Street  
14 Phoenix, AZ 85007

13 **COPY** of the foregoing mailed  
14 this 30 day of June, 2011 to:

14 Michelle Wood, Esq.  
15 RUCO  
16 1110 W. Washington St., Suite 220  
17 Phoenix, Arizona 85007

17  
18 By: Sandra Baker  
19 2433594.1/017962.0008

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26

# EXHIBIT

A

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Applies to all service areas  
**PART ONE**  
**STATEMENT OF CHARGES**

**I. RATES – General Residential, Commercial, and Industrial Service**

In Opinion and Order No. 72251, dated April 7, 2011, the Commission approved the following rates and charges **effective April 1, 2011:**

**A. Monthly Usage Charge**

<b><u>Meter Size</u></b> <b>Inches</b>	<b><u>Minimum</u></b> <b><u>Charge</u></b> <b>Per Month</b>
5/8" x 3/4" Meter	\$ 15.00
3/4" Meter	15.00
1" Meter	35.00
1 1/2" Meter	70.00
2" Meter	120.00
3" Meter	240.00
4" Meter	375.00
6" Meter	750.00
8" Meter	1,200.00

Applies to all service areas  
**PART ONE**  
**STATEMENT OF CHARGES**

**B. Commodity Rates**

The rate for use in addition to the minimum stated above shall be at the following rates:

<u>Meter Size</u>	<u>Consumption</u>	<u>Charge</u>
5/8" x 3/4" Meter – Residential	0 to 4,000 gallons	\$1.45
	4,000 to 10,000 gallons	2.21
	Over 10,000 gallons	2.71
5/8" Meter – Commercial	0 to 4,000 gallons	2.21
	Over 4,000 gallons	2.72
3/4" Meter – Residential	0 to 4,000 gallons	1.45
	4,000 to 10,000 gallons	2.21
	Over 10,000 gallons	2.72
3/4" Meter – Commercial	0 to 4,000 gallons	2.21
	Over 4,000 gallons	2.72
1" Meter – All Classes (except standpipe)	0 to 10,000 gallons	2.21
	Over 10,000 gallons	2.72
1 1/2" Meter – All Classes (except standpipe)	0 to 26,000 gallons	2.21
	Over 26,000 gallons	2.71
2" Meter – All Classes (except standpipe)	0 to 45,000 gallons	2.21
	Over 45,000 gallons	2.72
3" Meter – All Classes (except standpipe)	0 to 98,000 gallons	2.21
	Over 98,000 gallons	2.72

Issued: June 30, 2011

Effective: April 1, 2011

ISSUED BY:

Greg Sorensen, Operator  
 Bella Vista Water Company  
 12725 W. Indian School Road, Suite D-101  
 Avondale, AZ 85392

Applies to all WATER service areas

**PART ONE**  
**STATEMENT OF CHARGES**

**Section I.B continued**

<u>Meter Size</u>	<u>Consumption</u>	<u>Charge</u>
4" Meter – All Classes (except standpipe)	0 to 158,000 gallons	2.21
	Over 158,000 gallons	2.72
6" Meter – All Classes (except standpipe)	0 to 327,000 gallons	2.21
	Over 327,000 gallons	2.72
8" Meter – All Classes (except standpipe)	0 to 584,000 gallons	2.21
	Over 584,000 gallons	3.72
Standpipe (hydrant, bulk)		2.72
Fire Sprinklers – 4 inch		Note 1
Fire Sprinklers – 6 inch		Note 1
Fire Sprinklers – 8 inch		Note 1

\*Note 1: 2% of the equivalent monthly meter size or \$10 whichever is greater for all meter sizes.

Applies to all service areas  
**PART ONE**  
**STATEMENT OF CHARGES**

**C. Service Line and Meter Installation Charges**

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

<u>Meter Size</u>	<u>Line</u>	<u>Meter</u>	<u>Total</u>
5/8 x 3/4" Meter	\$1,765	\$105	\$1,870
3/4" Meter	1,765	180	1,945
1" Meter	1,765	240	2,005
1 1/2" Meter	At Cost	At Cost	At Cost
2" Meter/Turbine	At Cost	At Cost	At Cost
2" Meter/Compound	At Cost	At Cost	At Cost
3" Meter/turbine	At Cost	At Cost	At Cost
3" Meter/Compound	At Cost	At Cost	At Cost
4" Meter/Turbine	At Cost	At Cost	At Cost
4" Meter/Compound	At Cost	At Cost	At Cost
6" Meter/Turbine	At Cost	At Cost	At Cost
6" Meter/Compound	At Cost	At Cost	At Cost
8" Meter/Compound	At Cost	At Cost	At Cost
8" Meter & Larger	At Cost	At Cost	At Cost

Applies to all service areas  
**PART ONE**  
**STATEMENT OF CHARGES**

**D. Service Charges**

<u>Service</u>	<u>Charge</u>
Establishment (Regular Hours)	\$30.00
Establishment (After Hours)	45.00
Re-Establishment (within 12 months)	(a)
Reconnection (Delinquent)	30.00
Reconnection (after hours)	45.00
Meter Test (if correct)	30.00
Deposit	(b)
Deposit Interest	(b)
NSF Check	\$15.00
Deferred Payment – per month	1.5%
Meter Re-Read (If Correct)	15.00
Late Charge	1.5% (c)
Service Calls – flat rate / after hours	\$50.00
Moving meter at customer request	Cost

- (a) Minimum charge times number of full months off the system per A.A.C. R14-2-403(D).
- (b) Per A.A.C. R14-2-403(B):  
 Residential – two times the average bill;  
 Commercial – two and one-half times the average bill.
- (c) 1.5% of unpaid balance.

Applies to all service areas  
**PART ONE**  
**STATEMENT OF CHARGES**

**II. TAXES AND ASSESSMENTS**

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-409(D)(5).

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Applies to all WATER service areas  
**PART ONE**  
**STATEMENT OF CHARGES**

**III. PERMITTED COSTS**

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at cost, costs shall include labor, materials, other charges incurred, and overhead not to exceed 10%. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the provision of the service or after the Company's receipt of invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.
- E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
- F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for water facilities under which the Customer advances or contributes funds or facilities to the Company.

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Applies to all service areas

**PART TWO**  
**HOOK UP FEES**

**BELLA VISTA WATER CO., INC.**  
**WATER HOOK-UP FEE TARIFF**

**I. Purpose and Applicability**

The purpose of the off-site hook-up fees payable to **Bella Vista Water Co., Inc.** (“the Company”) pursuant to this tariff is to equitably apportion the costs of constructing additional off-site facilities necessary to provide water production, delivery, storage and pressure among all new service connections. These charges are applicable to all new service connections undertaken via Main Extension Agreements or requests for service not requiring a Main Extension Agreement entered into established after the effective date of this tariff. The charges are one-time charges and are payable as a condition to Company’s establishment of service, as more particularly provided below.

**II. Definitions**

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission’s (“Commission”) rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

“Applicant” means any party entering into an agreement with Company for the installation of water facilities to serve new service connections, and may include Developers and/or Builders of new residential subdivisions and/or commercial and industrial properties.

“Company” means **Bella Vista Water Co, Inc.**

“Main Extension Agreement” means any agreement whereby an Applicant, Developer and/or Builder agrees to advance the costs of the installation of water facilities necessary to the Company to serve new service connections within a development, or installs such water facilities necessary to serve new service connections and transfers ownership of such water facilities to the Company, which agreement shall require the approval of the Commission pursuant to A.A.C. R-14-2-406, and shall have the same meaning as “Water Facilities Agreement” or “Line Extension Agreement.”

“Off-site Facilities” means wells, storage tanks and related appurtenances necessary for proper operation, including engineering and design costs. Offsite facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of the applicant and will benefit the entire water system.

“Service Connection” means and includes all service connections for single-family residential, commercial, industrial or other uses, regardless of meter size.

Applies to all service areas  
**PART TWO**  
**HOOK UP FEES**

**III. Water Hook-up Fee**

For each new service connection, the Company shall collect a Hook-Up Fee derived as follows:

OFF-SITE WATER HOOK-UP FEE TABLE		
Meter Size	Size Factor	Total Fee
5/8" x 3/4"	1	\$1,600
3/4"	1.5	\$2,400
1"	2.5	\$4,000
1-1/2"	5	\$8,000
2"	8	\$12,800
3"	16	\$25,600
4"	25	\$40,000
6" or larger	50	\$80,000

**IV. Terms and Conditions**

(A) Assessment of One Time Off-Site Hook-up Fee: The off-site hook-up fee may be assessed only once per parcel, service connection, or lot within a subdivision.

(B) Use of Off-Site Hook-up Fee: Off-site hook-up fees may only be used to pay for capital items of off-site facilities, or for repayment of loans obtained to fund the cost of installation of off-site facilities. Off-site hook-up fees shall not be used to cover repairs, maintenance, or operational costs. The Company shall record amounts collected under this tariff as CIAC; however, such amounts shall not be deducted from rate base until such amounts have been expended for plant.

(C) Time of Payment:

- 1) For those requiring a Main Extension Agreement: In the event that the person or entity that will be constructing improvements ("Applicant", "Developer" or "Builder") is otherwise required to enter into a Main Extension Agreement, whereby the Applicant, Developer or Builder agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements in order to extend service in accordance with R-14-2-406(B), payment of the Hook-Up Fees required hereunder shall be made by the Applicant, Developer or Builder no later than within 15 calendar days after receipt of notification from the Company that the Utilities Division of the Arizona Corporation Commission has approved the Main Extension Agreement in accordance with R-14-2-406(M).

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Applies to all service areas

**PART TWO**  
**HOOK UP FEES**

- 2) For those connecting to an existing main: In the event that the Applicant, Developer or Builder for service is not required to enter into a Main Extension Agreement, the Hook-Up Fee charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.
- (D) Off-Site Facilities Construction By Developer: Company and Applicant, Developer, or Builder may agree to construction of off-site facilities necessary to serve a particular development by Applicant, Developer or Builder, which facilities are then conveyed to Company. In that event, Company shall credit the total cost of such off-site facilities as an offset to off-site hook-up fees due under this Tariff. If the total cost of the off-site facilities constructed by Applicant, Developer or Builder and conveyed to Company is less than the applicable off-site hook-up fees under this Tariff, Applicant, Developer or Builder shall pay the remaining amount of off-site hook-up fees owed hereunder. If the total cost of the off-site facilities contributed by Applicant, Developer or Builder and conveyed to Company is more than the applicable off-site hook-up fees under this Tariff, Applicant, Developer or Builder shall be refunded the difference upon acceptance of the off-site facilities by the Company.
- (E) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to make an advance commitment to provide or actually provide water service to any Developer, Builder or other applicant for service in the event that the Developer, Builder or other applicant for service has not paid in full all charges hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.
- (F) Large Subdivision Projects: In the event that the Applicant, Developer or Builder is engaged in the development of a residential subdivision containing more than 150 lots, the Company may, in its discretion, agree to payment of off-site hook-up fees in installments. Such installments may be based on the residential subdivision development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's, Developer's or Builder's construction schedule and water service requirements.
- (G) Off-Site Hook-Up Fees Non-refundable: The amounts collected by the Company as Hook-Up Fees pursuant to the off-site hook-up fee tariff shall be non-refundable contributions in aid of construction.
- (H) Use of Off-Site Hook-Up Fees Received: All funds collected by the Company as off-site hook-up fees shall be deposited into a separate unaffiliated third-party interest bearing bank account and used solely for the purposes of paying for the costs of installation of off-site facilities, including repayment of loans obtained for the installation of off-site facilities that will benefit the entire water system.
- (I) Off-Site Hook-up Fee in Addition to On-site Facilities: The off-site hook-up fee shall be in addition to any costs associated with the construction of on-site facilities under a Main Extension Agreement.

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Applies to all service areas

**PART TWO**  
**HOOK UP FEES**

(J) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the off-site hook-up fees, or if the off-site hook-up fee has been terminated by order of the Arizona Corporation Commission, any funds remaining in the unaffiliated third-party interest bearing bank account shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

(K) Fire Flow Requirements: In the event the applicant for service has fire flow requirements that require additional facilities beyond those facilities whose costs were included in the off-site hook-up fee, and which are contemplated to be constructed using the proceeds of the off-site hook-up Fee, the Company may require the applicant to install such additional facilities as are required to meet those additional fire flow requirements, as a non-refundable contribution, in addition to the off-site hook-up fee.

(L) Status Reporting Requirements to the Commission: The Company shall submit a calendar year Off-Site Hook-Up Fee status report each January to Docket Control for the prior twelve (12) month period, beginning January 2012, until the hook-up fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the hook-up fee tariff, the amount each has paid, the physical property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the tariff account, and an itemization of all facilities that have been installed using the tariff funds during the 12 month period.

ISSUED BY:

Greg Sorensen, Operator  
Bella Vista Water Company  
12725 W. Indian School Road, Suite D-101  
Avondale, AZ 85392

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Applies to all service areas  
**PART THREE**  
**ALTERNATE RATES FOR WATER (ARW)**  
**DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION**

**APPLICABILITY**

Applicable to residential water service for domestic use rendered to low-income households where the customer meets all the program qualifications and special conditions of this rate schedule.

**TERRITORY**

Within all customer service areas served by Bella Vista Water Co., Inc. (BVWC”).

**RATES**

Fifteen percent (15%) discount applied to the regular filed tariff.

**PROGRAM QUALIFICATIONS**

1. The BVWC bill must be in your name and the address must be your primary residence or you must be a tenant receiving water service by a sub-metered system.
2. You may not be claimed as a dependent on another person’s tax return.
3. You must reapply each time you move residences.
4. You must renew your application once every two (2) years, or sooner, if requested.
5. You must recertify each year by submitting a declaration attesting to your continuing eligibility, and provide one of the following items as proof of eligibility: 1) copy of tax return from prior year; or 2) copy of W2 form from prior year; or 3) copy of welfare / food stamp cards.
6. You must notify BVWC within thirty (30) days if you become ineligible for ARW.
7. Your total gross annual income of all persons living in your household cannot exceed the income levels below:

Applies to all service areas  
**PART THREE**  
**ALTERNATE RATES FOR WATER (ARW)**  
**DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION**

**Effective: April 1, 2011**

<u>No. of Person in Household</u>	<u>Total Gross Annual Income</u>
1	\$16,245
2	21,855
3	27,465
4	33,075
5	38,685
6	44,295

For each additional person residing in the household, add \$5,610

For the purpose of the program the “gross household income” means all money and non cash benefits, available for living expenses, from all sources, both taxable and non taxable, before deductions for all people who live in your home. This includes, but is not limited to:

- |                                  |                                    |                                |
|----------------------------------|------------------------------------|--------------------------------|
| Wages or salaries                | Social Security, SSI, SSP          | Rental or royalty income       |
| Interest or dividends from:      | Scholarships, grants, or other aid | Profit from self-employment    |
| Savings account, stocks or bonds | used for living expenses           | (IRS form Schedule C, Line 29) |
| Unemployment benefits            | Disability payments                | Worker’s Compensation          |
| TANF (AFDC)                      | Food Stamps                        | Child Support                  |
| Pensions                         | Insurance settlements              | Spousal Support                |
| Gifts                            |                                    |                                |

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Applies to all service areas  
**PART THREE**  
**ALTERNATE RATES FOR WATER**  
**DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION**

**SPECIAL CONDITIONS**

1. Application and Eligibility Declaration: An application and eligibility declaration on a form authorized by the Commission is required for each request for service under this schedule. Renewal of a customer's eligibility declaration will be required every two (2) years.
2. Recertification: A customer enrolled in the ARW program must, each year, recertify by submitting a declaration attesting to continuing eligibility, and provide one of the following items as proof of eligibility: 1) copy of tax return from prior year; or 2) copy of W2 form from prior year; or 3) copy of welfare / food stamp cards.
3. Commencement of Rate: Eligible customers whose applications have been approved shall be billed on this schedule commencing with the next regularly scheduled billing period that follows receipt of application by BVWC.
4. Verification: Information provided by the applicant is subject to verification by BVWC. Refusal or failure of a customer to provide documentation of eligibility acceptable to BVWC, upon request by BVWC, shall result in removal from this rate schedule.
5. Notice from Customer: It is the customer's responsibility to notify BVWC if there is a change of eligibility status.
6. Rebilling: Customers may be re-billed retroactively for periods of ineligibility under the applicable rate schedule.
7. Master-metered: A reduction will be calculated in the bill of master-metered customers who have sub-metered tenants that meet the income eligibility criteria, so an equivalent discount (15%) can be passed through to eligible customer(s).
8. Participation Cap: The ARW program is limited to 2,400 customers. Applications will be reviewed and approved on a first come, first served basis. Applicants will be placed on a waiting list if the participation cap has been met.

**Application for  
Alternate Rates for Water (ARW)**

To qualify for Liberty Water ARW please check (✓) all that apply:

- I am a Liberty Water residential customer and the Liberty Water account is in my name.
- I am a sub-metered tenant within the Liberty Water service area.
- My household income is at or below the income level in the listing below.

Household Size	Total Gross Annual Income from All Sources
1	\$16,245
2	\$21,855
3	\$27,465
4	\$33,075
5	\$38,685
6	\$44,295

For each additional person residing in the household, add \$5,610.

The definition of "gross household income" (before taxes) is all money and non cash benefits available for living expenses from all sources, both taxable and non taxable, before deductions, including expenses, for all people who live in your home. **This includes, but is not limited to the following (please check (✓) all that apply):**

- |  |  |
|--|--|
| <input type="checkbox"/> Wages, salaries or profit from self-employment                          | <input type="checkbox"/> Social Security, SSI or SSP     |
| <input type="checkbox"/> Disability and/or Workers' Compensation payments                        | <input type="checkbox"/> Food Stamps                     |
| <input type="checkbox"/> Insurance and/or legal settlements                                      | <input type="checkbox"/> TANF (AFDC)                     |
| <input type="checkbox"/> Pensions  | <input type="checkbox"/> Veterans Affairs benefits       |
| <input type="checkbox"/> Spousal and/or child support  | <input type="checkbox"/> Unemployment benefits           |
| <input type="checkbox"/> Scholarships, grants, or other aid used for living                      | <input type="checkbox"/> Rental and/or royalty income    |
| <input type="checkbox"/> Interest/dividends from: savings, stocks, bonds, or retirement accounts | <input type="checkbox"/> Cash, gifts and/or other income |

Please print the following information. **Incomplete information will delay your discount.** The name used to apply for the discount **must** be the same as the name on the Liberty Water statement.

PLEASE PRINT LEGIBLY											
Liberty Water Account Number (As shown on statement)											
Total No. of persons living in household:			Household's Total Gross Annual Income: \$				Contact Phone Number				
Name as shown on Liberty Water statement											
Liberty Water Service Address											
City			State				Zip Code				

**Please attach one of the items listed as proof of income for eligibility verification: Copy of tax return from prior year, or copy of W2 from prior year, or copy of welfare / food stamp cards.**

By signing below, I certify under penalty of perjury that this information is true and correct under the laws of the State of Arizona. I will provide proof of income and I will notify Liberty Water of any changes that affect my eligibility. I understand that if I receive the discount without meeting the qualifications for it, I may be required to pay back the discount I received.

Customer Signature \_\_\_\_\_ Date \_\_\_\_\_

**Note:** An Application for ARW must be submitted every two years. A Declaration of Eligibility must be submitted annually for verification. Please allow 30-45 days for processing.

Office Use Only: Date Verified \_\_\_\_\_ Verified By \_\_\_\_\_ Expires \_\_\_\_\_

**Declaration of Eligibility  
Alternate Rates for Water (ARW)**

To recertify enrollment in the ARW Program please fill out the following attesting to continuing eligibility:

<b>PLEASE PRINT LEGIBLY</b>												
Name as shown on Liberty Water statement												
<b>Liberty Water Account Number</b> (As shown on statement)												
Liberty Water Service Address												
City	State					Zip Code						
Contact Phone Number						Work Phone Number						

I,

\_\_\_\_\_   
Your Name (Please Print)

Last submitted an Application for Alternative Rates (ARW) on \_\_\_\_\_   
(dd/mm/yyyy)

and hereby confirm my eligibility for the year ending \_\_\_\_\_   
(dd/mm/yyyy)

**Please attach one of the items listed below as proof of income for eligibility verification:**

**Copy of tax return from prior year,  
or copy of W2 form from prior year,  
or copy of welfare / food stamp cards.**

By signing below, I certify under penalty of perjury that this information is true and correct under the laws of the State of Arizona. I will provide proof of income and I will notify Liberty Water of any changes that affect my eligibility. I understand that if I receive the discount without meeting the qualifications for it, I may be required to pay back the discount I received.

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Date

**Note:** An Application for ARW must be submitted every two years. A Declaration of Eligibility must be submitted annually for verification.

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### Liberty Water Alternate Rates for Water (ARW)

**Applicability**

Applicable to residential water and wastewater service for domestic use rendered to low-income households where the customer meets all the Program Qualifications and Special Conditions of this rate schedule.

**Territory**

Within all customer service areas served by Bella Vista Water Co., Inc. dba Liberty Water.

**Discount**

Fifteen percent (15%) discount applied to the regular filed tariff. The discount will be applied to the customer's total bill before any adjustments and application of any other taxes, credit, penalties or fees.

**Program Qualifications**

- The Liberty Water account must be in your name and the address must be your primary residence in our service area or you must be a tenant receiving water service by a sub-metered system.
- You may not be claimed as a dependent on another person's tax return.
- You must reapply each time you move residences.
- You must renew your application once every two (2) years or sooner if requested.
- You must recertify each year by submitting a declaration attesting to your continuing eligibility, and provide one of the following items as proof of eligibility: 1) copy of tax return from prior year; or 2) copy of W2 form from prior year; or 3) copy of welfare/food stamp cards.
- You must notify Liberty Water within thirty (30) days if you become ineligible for ARW.
- Your total gross annual income of all persons living in your household cannot exceed the income levels provided on the application.

**Special Conditions**

- You must fill out and sign the ARW Application completely. Incomplete information will delay your discount. You must reapply every two (2) years.
- You must recertify your enrollment in the ARW annually by submitting a Declaration of Eligibility and providing one of the following items as proof of eligibility: 1) copy of tax return from prior year; or 2) copy of W2 form from prior year; or 3) copy of welfare/food stamp cards.
- Customers shall be billed on this schedule commencing with the next regularly scheduled billing period that follows the receipt and approval of the application by Liberty Water.
- Documentation of your gross annual income must be provided to Liberty Water for verification of eligibility for ARW. Refusal or failure to provide documentation of acceptable eligibility to Liberty Water shall result in removal from this rate schedule.
- It is the customer's responsibility to notify Liberty Water if there is a change in eligibility status.
- You may be re-billed for any periods of ineligibility under the applicable rate schedule.
- Master-metered customers who have sub-metered tenants will receive a reduction in the billing. Sub-metered tenants must qualify and meet the income eligibility criteria so an equivalent discount (15%) can be passed through to eligible customer(s).
- The ARW program is limited to 2,400 customers.

**How to Submit Completed ARW Application and/or Declaration of Eligibility**

Mail, Fax or Email your ARW Application and Declaration of Eligibility to:

Liberty Water (Bella Vista Water Co., Inc.)

4055 Campus Drive

Sierra Vista, AZ 85635

Fax: 520-469-6680

Email: [customerservicesierravista@libertywater.com](mailto:customerservicesierravista@libertywater.com)

# **EXHIBIT**

# **B**

**\*\*NEW RATES EFFECTIVE APRIL 1, 2011\*\***

On August 31, 2009, Bella Vista Water Co., Inc. ("BVWC"), Northern Sunrise Water Company, Inc. ("NSWC"), and Southern Sunrise Water Company, Inc. ("SSWC") (collectively the "Companies") filed rate applications with the Arizona Corporation Commission ("Commission"). The Companies requested rate adjustments that would produce just and reasonable rates of return on the fair value of their utility plant and property. The Companies also proposed to consolidate their operations, with BVWC becoming the sole surviving public service corporation.

The Commission Staff ("Staff") evaluated the Companies on a stand-alone and consolidated basis and determined that consolidation is in the public's interest—because of the cost savings associated with the economies of scale, the benefits of a larger customer base, and the benefits of improved water supply. Staff also thoroughly audited the proposed rates for the consolidated Companies. A public comment session and evidentiary hearings were held. The Commission issued Decision No. 72251 ("Decision") on April 7, 2011. The Decision authorized the transfer of NSWC's and SSWC's assets to BVWC, and established one set of rates for the Company, BVWC, which will now be the water provider for all customers, including those formerly served by NSWC and SSWC. The new rates approved by the Commission are set forth herein.

Under the new rates, the median 5/8 inch meter residential BVWC customer using 4,500 gallons per month would see a monthly increase of \$2.54, or 13.12 percent, from \$19.37 to \$21.91; the median 5/8 inch meter residential NSWC customer using 4,500 gallons per month would see a monthly decrease of \$18.10, or 45.24 percent, from \$40.00 to \$21.91; and the median 5/8 inch meter residential SSWC customer using 4,500 gallons per month would see a monthly decrease of \$18.10, or 45.24 percent, from \$40.00 to \$21.91.

**Again, as a result of consolidation, NSWC customers and SSWC customers are now customers of BVWC dba Liberty Water. If you have any questions about this Notice, please contact Liberty Water (BVWC) at 520-458-5470 or 1-866-681-4506.**

**MONTHLY USAGE CHARGE**

<u>METER SIZE</u>	<u>CHARGE</u>
5/8 x 3/4" Meter	\$ 15.00
3/4" Meter	15.00
1" Meter	35.00
1 1/2" Meter	70.00
2" Meter	120.00
3" Meter	240.00
4" Meter	375.00
6" Meter	750.00
8" Meter	1,200.00

**COMMODITY RATES – per 1,000 gallons**

<u>METER SIZE</u>	<u>CHARGE</u>
<b>5/8 x 3/4" Meter – Residential</b>	
From 0 to 4,000 Gallons	\$1.45
From 4,000 to 10,000 Gallons	2.21
Over 10,000 Gallons	2.72
<b>5/8" Meter – Commercial</b>	
From 0 to 4,000 Gallons	\$2.21
Over 4,000 Gallons	2.72
<b>3/4" Meter – Residential</b>	
From 0 to 4,000 Gallons	\$1.45
From 4,000 to 10,000 Gallons	2.21
Over 10,000 Gallons	2.72
<b>3/4" Meter – Commercial</b>	
From 0 to 4,000 Gallons	\$2.21
Over 4,000 Gallons	2.72
<b>1" Meter – All Classes (except standpipe)</b>	
From 0 to 10,000 Gallons	\$2.21
Over 10,000 Gallons	2.72
<b>1 1/2" Meter – All Classes (except standpipe)</b>	
From 0 to 26,000 Gallons	\$2.21
Over 26,000 Gallons	2.72
<b>2" Meter – All Classes (except standpipe)</b>	
From 0 to 45,000 Gallons	\$2.21
Over 45,000 Gallons	2.72
<b>3" Meter – All Classes (except standpipe)</b>	
From 0 to 98,000 Gallons	\$2.21
Over 98,000 Gallons	2.72
<b>4" Meter – All Classes (except standpipe)</b>	
From 0 to 158,000 Gallons	\$2.21
Over 158,000 Gallons	2.72
<b>6" Meter – All Classes (except standpipe)</b>	
From 0 to 327,000 Gallons	\$2.21
Over 327,000 Gallons	2.72
<b>8" Meter – All Classes (except standpipe)</b>	
From 0 to 584,000 Gallons	\$2.21
Over 584,000 Gallons	2.72
<b>Standpipe (hydrant, bulk)</b>	\$2.72
Fire Sprinklers – 4 inch	Note 1
Fire Sprinklers – 6 inch	Note 1
Fire Sprinklers – 8 inch	Note 1
Note 1: 2% of the equivalent monthly meter size or \$10 whichever is greater for all meter sizes.	

**\*\*NEW RATES EFFECTIVE APRIL 1, 2011\*\***

**SERVICE LINE AND METER INSTALLATION CHARGES (Refundable pursuant to A.A.C. R14-2-405)**

SERVICE LINE SIZE	CHARGE		
	Service Line	Meter	Total
5/8" x 3/4" Meter	\$1,765	\$105	\$1,870
3/4" Meter	1,765	180	1,945
1" Meter	1,765	240	2,005
1 1/2" Meter	At Cost	At Cost	At Cost
2" Meter / Turbine	At Cost	At Cost	At Cost
2" Meter / Compound	At Cost	At Cost	At Cost
3" Meter / Turbine	At Cost	At Cost	At Cost
3" Meter / Compound	At Cost	At Cost	At Cost
4" Meter / Turbine	At Cost	At Cost	At Cost
4" Meter / Compound	At Cost	At Cost	At Cost
6" Meter / Turbine	At Cost	At Cost	At Cost
6" Meter / Compound	At Cost	At Cost	At Cost
8" Meter & Larger	At Cost	At Cost	At Cost

**HOOK UP FEE**

METER SIZE	SIZE FACTOR	CHARGE
5/8 x 3/4" Meter	1	\$ 1,600.00
3/4" Meter	1.5	2,400.00
1" Meter	2.5	4,000.00
1 1/2" Meter	5	8,000.00
2" Meter	8	12,800.00
3" Meter	16	25,600.00
4" Meter	25	40,000.00
6" Meter & Larger	50	80,000.00

**SERVICE CHARGES**

SERVICE	CHARGE
Establishment (Regular Hours)	\$30.00
Establishment (After Hours)	45.00
Re-Establishment (within 12 months)	(a)
Reconnection (Delinquent)	\$30.00
Reconnection (After Hours)	45.00
Meter Test (If Correct)	30.00
Deposit	(b)
Deposit Interest	(b)
NSF Check	\$15.00
Deferred Payment – per month	1.5%
Meter Reread (If Correct)	\$15.00
Late Charge	1.5% (c)
Service calls – Flat Rate / After Hours	\$50.00
Moving Meter at Customer Request	Cost

(a) Minimum charge times number of full months off the system per A.A.C. R14-2-403(D).

(b) Per A.A.C. R14-2-403(B).  
Residential – two times the average bill;  
Commercial – two and one-half times the average bill.

(c) 1.5% of unpaid balance.

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax per A.A.C. R14-2-409D(5).

**Billing Adjustments:**

Total monthly water and miscellaneous charges are subject to adjustment for all federal, state, and local government taxes, levies, and any assessments that may be imposed by federal or state regulatory agencies on water gross revenues.

# **BELLA VISTA WATER CO., INC.**

## **LOW INCOME TARIFF ALTERNATE RATES FOR WATER**

In the Decision the Commission approved an Alternate Rates for Water ("ARW") Tariff ("Low Income Tariff"), which is designed to provide relief to BVWC's lower income ratepayers. The Low Income Tariff applies to residential, single family accommodations and provides for a 15 percent discount applied to the regular tariffed rate for those customers who meet the program qualifications. Qualifying annual incomes are set at 150 percent of the federal poverty levels as follows:

<u>No. of Person in Household</u>	<u>Total Gross Annual Income</u>
1	\$16,245
2	21,855
3	27,465
4	33,075
5	38,685
6	44,295

For each additional person residing in the household, add \$5,610

Customers eligible for the ARW program must complete an Application and Declaration form, and supply proof of income. Customers enrolled in the ARW program are required to reapply every two (2) years, or sooner, if requested, and annually recertify by submitting a declaration attesting to continuing eligibility. The ARW program is limited to 2,400 customers. A waiting list will be available in the event the participation cap is met.

**For more information, or to obtain a copy of the ARW program forms,  
please contact Liberty Water (Bella Vista Water Co., Inc.) at  
4055 Campus Drive, Sierra Vista, Arizona 85635  
Phone: 520-458-5470 or 1-866-681-4506**