

W-03443A-11-0040
W-03443A-10-0143



AFFIDAVIT OF PUBLICATION

RECEIVED

ORIGINAL

STATE OF ARIZONA)
County of Yavapai) ss.

2011 OCT 31 P 4:27

AZ CORP COMMISSION
DOCKET CONTROL

I, **Aileen Kemper**, being first duly sworn on her oath says
That she is the Legals Clerk of **PRESCOTT NEWSPAPERS, INC.**, an
Arizona corporation, which owns and publishes **THE DAILY
COURIER**, a Daily Newspaper published in the City of Prescott, County
of Yavapai that the notice attached hereto, namely,

**PUBLIC NOTICE OF HEARING ON THE APPLICATION OF
APPALOOSA WATER COMPANY FOR AUTHORITY TO OBTAIN
FINANCING AND APPROVAL OF A RATE INCREASE.
(DOCKET NO. W-03443A-10-0143 ET AL.)**

has, to the personal knowledge of affidavit, been published in the news
paper aforesaid, according to law, on 24 day of **AUG, 2011** to 24 day of
AUG, 2011 both inclusive without change, interruption or omission,
amounting in all 1 insertions, made on the following dates:
AUG 24, 2011

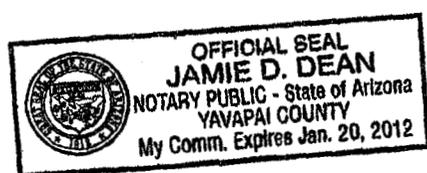
Arizona Corporation Commission
DOCKETED
OCT 31 2011

DOCKETED BY

By:
Dated this 24 Day of **AUG, 2011**

By:
Notary Public

My commission expires:



PUBLIC NOTICE OF HEARING
ON THE APPLICATION OF
APPALOOSA WATER COMPANY
FOR AUTHORITY TO OBTAIN
FINANCING AND APPROVAL
OF A RATE INCREASE.

(DOCKET NO. W-03443A-10-0143 ET AL.)

On April 10, 2010, Appaloosa Water Company ("Appaloosa" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for authorization to obtain financing through the Water Infrastructure Financing Authority ("WIFA") in the amount of \$855,193 to construct a 500,000 gallon storage tank to purchase an emergency generator and to expand the Company's water lines.

On January 26, 2011, Appaloosa filed an application with the Commission requesting approval for a permanent increase in its water rates and charges, using a test year ending December 31, 2009. On June 22, 2011, Appaloosa filed an amended rate application using a test year ending December 31, 2010. The amended application requests authorization to increase its water rates to generate an additional \$140,888 in annual revenues, approximately a 100 percent increase over its reported test year revenues of \$140,888. The amended rate application requests an increase in monthly minimum service charges, in commodity charges for metered customers, in service line and meter installation charges, and in service related charges. The amended application states that a rate increase is needed due to an increase in postal rates, property taxes, and arsenic removal costs. Additionally, the amended application states that the increase is needed so that the Company can purchase new software for billing, construct a new storage tank, electrical generator system, and replace its existing meters to reduce its water loss.

Appaloosa's financing and rate applications have been consolidated for further processing by the Commission.

The Commission's Utilities Division Staff ("Staff") is in the process of auditing and analyzing Appaloosa's records and has not yet made a recommendation regarding Appaloosa's rate or finance applications. The Commission is not bound by the proposals made by Appaloosa, Staff, or any intervenors. The Commission will issue a Decision regarding Appaloosa's rate and finance applications following consideration of testimony and evidence presented at an evidentiary hearing. The final rates and financing authority approved by the Commission may be higher or lower than those proposed by Appaloosa or Staff.

Copies of the applications are available at Appaloosa's offices (insert addresses) and at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona, for public inspection during regular business hours, and on the internet via the Commission website (www.azcc.gov) using the e-docket function.

The Commission will hold a hearing on the consolidated applications on March 5, 2012, at 10:00 a.m., at the Commission's offices, 1200 West Washington Street, Hearing Room No. 1, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted via e-mail (<http://www.azcc.gov/Divisions/Utilities/consumerservices.asp> for instructions), or by mailing a letter referencing Docket No. W-03443A-10-0143 et. al., to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington Street,

Phoenix, Arizona 85007. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or 602-542-4251.

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 substan-

lial 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 October 28, 2011, and send a copy of the motion to Appaloosa or its counsel and to all parties of record. Your motion to intervene must contain the following:

1. Your name, address, and telephone number and the name, address, and telephone number of any person 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 Appaloosa, etc.); and

~~3. A statement explaining why you have~~
mailed a copy of the motion to intervene to Appaloosa 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 October 28, 2011. If representation by counsel is required by Arizona Supreme Court Rules 31 and 38, 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.p-ov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at 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.

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, e-mail SABernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

1TTC PUB Aug 24, 2011

AFFIDAVIT OF MAILING

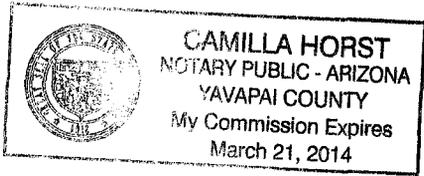
Appaloosa Water Company on September 1, 2011 mailed the attached customer notification of an application for an adjustment in rates with the Arizona Corporation Commission to it's 239 customers.

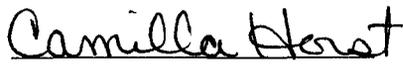
I, the authorized representative, Joseph Cordovana of Appaloosa Water Company swears that the above notification mailing information is true and correct to the best of my knowledge.


Signed Joseph Cordovana

State of Arizona
County of Yavapai ss.

Subscribed and sworn before me this 27 day of October 2011.




Notary Public

My commission expires: 3-21-2014

CUSTOMER NOTIFICATION

Appaloosa Water Company has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since August of 2009. An increase in rates is necessary at this time due to increase in postal rates to mail out billings each month, purchase of software for billing and reporting documentation to comply with regulations, increased property taxes, construction for a new storage tank, electrical generator system, new meters that are freeze resistant and with newer technology for the aging meters that insure the reduction of water loss, arsenic removal, landscaping as required by the Town of Chino Valley. Test year results, Appaloosa Water Company realized an operating loss of \$40,614.00. The Company is requesting a revenue increase of \$140,888.00 or 100% of total revenues. Please see the attached pages 9 and 11 of the Company's application for the current and proposed rates.

The Application is available for inspection during regular business hours at the office of the commission in Phoenix at 1200 West Washington Street or online at <http://edocket.azcc.gov/edocket/> and at Appaloosa Water Company. Please be advised that the rates and charges ultimately approved by the commission may be higher or lower than the rates and charges requested in the Application.

Customer input is an important part of the commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's Application of charges. Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding should contact the Commission's Consumer Services Section at 800-222-7000 or 602-542-4251 in the Phoenix area. Customers may also contact the Tucson Commission office by calling 800-535-0148 or 520-628-6555 in the Tucson calling area.

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, customer comments submitted in writing will be placed in the office file, which the Commission reviews prior to making its final decision on the Application. It is important that customers contact the Commission within 15 days of the receipt of this notice so that the Commission's Staff can consider customer comments and concerns in developing its recommendations to the Commission.