

NEW APPLICATION



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ORIGINAL

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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

JAN 31 2014

January 31, 2014

DOCKETED BY  
*MR*

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

W-02250A-14-0028

Re: Arizona Windsong Realty, Inc. – ACC Rate Application  
Docket No.: W-02250A-14-

To whom it may concern:

Please treat this letter and attachments as the “Application of Arizona Windsong Realty, Inc. for a determination of the fair value of its utility plant and property and for adjustments to its rates and charges for utility service.” Enclosed is the Utilities Division’s standard short form rate application. The invoices requested in the short form application will be provided directly to the Utilities Division Staff on CD. Also enclosed is the Direct Testimony of Mr. Paul Walker and attachments A and B thereto.

Please direct any inquiries or data requests regarding this application to my attention. My contact information is:

Timothy J. Sabo  
Roshka DeWulf & Patten, PLC  
One Arizona Center  
400 East Van Buren, Suite 800  
Phoenix, AZ 85004  
Phone: 602.256.6100  
Fax: 602.256.6800  
Email: [tsabo@rdp-law.com](mailto:tsabo@rdp-law.com)

Very truly yours,

Timothy J. Sabo

TJS/da  
Encl.

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

**COMMISSIONERS**

BOB STUMP, Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

IN THE MATTER OF THE APPLICATION OF  
ARIZONA WINDSONG REALTY, AN  
ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE FAIR VALUE OF  
ITS UTILITY PLANT AND PROPERTY AND  
FOR ADJUSTMENTS TO ITS RATES AND  
CHARGES FOR UTILITY SERVICE.

DOCKET NO. W-02250A-14-

Direct Testimony  
of  
Paul Walker

January 31, 2014

1 **Q. Please state your name.**

2 A. My name is Paul Walker.

3  
4 **Q. By whom are you employed and what is your position?**

5 A. I am the founder and owner of Insight Consulting, LLC.

6  
7 **Q. Please describe your background and qualifications.**

8 A. I hold an MBA from the Thunderbird School of Global Management, and a  
9 Bachelor's in Business Management from the University of Phoenix; additionally  
10 I have completed numerous military schools and courses before leaving military  
11 service as a Captain in the Military Police Corps. In 2001, I joined the  
12 Commission as Policy Advisor to Commissioner Marc Spitzer. Prior to that I had  
13 served on Governor Hull's negotiating team working with Arizona's Indian  
14 Tribes to develop Indian gaming compacts, and as Policy & Communications  
15 Manager at the Arizona Department of Gaming. I was also on the staff of  
16 Congressman John J. Rhodes, III and in that role served as his liaison with the  
17 business and development community particularly focusing on the ramifications  
18 of the housing and savings and loan crisis and the Resolution Trust Corporation's  
19 handling of the failed savings and loan investments in Arizona's development and  
20 housing assets.

21  
22 In my current work, I provide regulatory consulting, advice and analysis, as well  
23 as testimony drafting, editing, and preparation services to utility and regulated  
24 industry clients. In addition, I provide regulatory analysis to utility investors, and  
25 chair Arizonans for Responsible Water Policy, a trade group and PAC  
26 representing water utilities in Arizona. I have given numerous presentations at  
27 regulatory workshops and industry meetings; and I am also a member of the

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Arizona Power Plant and Line Siting Committee.

**Q. Have you testified or presented before the Commission on the subject of Distribution Service Improvement Charges (DSICs) before?**

A. Yes, I have made numerous presentations to the Corporation Commission in workshops on electricity deregulation, water issues in the Commission's water workshops in Docket No. W-00000C-06-0140; and I have provided testimony in the pending Global Water rate case, Docket No. W-01212A-12-0309, and the pending Arizona Water Company rate case, Docket No. W-01445A-11-0310.

**Q. How did you become involved with Arizona Windsong?**

A. As Chairman of Arizonans for Responsible Water Policy, I have launched a Small Water Assistance Team program ("SWAT") in which Global Water, Liberty Water, and Arizona Water Company are actively developing workshops for small water companies to assist them with achieving regulatory compliance, proper annual reporting, rate case development, and providing them with overviews of Water Infrastructure Financing Authority funding opportunities. Additionally, the SWAT has been assisting smaller water companies with regulatory issues, at no cost to those companies. Commission Staff approached me and asked for SWAT assistance with Arizona Windsong Realty.

**Q. Please describe Arizona Windsong and the community it serves.**

A. Arizona Windsong ("Windsong") is a small, class E water utility providing service to 69 customers in the community of Sanders, Arizona. It is a Class C Corporation, however, as will be explained later in this testimony, its Corporate status was revoked by the Commission and needs to be reinstated.

Sanders is an unincorporated Arizona community with a population of about 630

1 residents. It is at the junction of U.S. Route 191 and Interstate 40, approximately  
2 54 miles south of St. Johns, Arizona and 44 miles west of Gallup, New Mexico.  
3 According to the U.S. Census Bureau, the community is 71.4% Native American,  
4 22.7% white, and the remainder a mix of Hispanic, African American, Asian, and  
5 other ethnicities. The median household income, according to www.usa.com is  
6 \$45,921; and the median house price is \$37,600.

7  
8 **Q. Please describe Windsong's current situation.**

9 A. Windsong is operating under rates and charges that, to the best of my knowledge,  
10 were set in 1971 or earlier. The owner, Mr. Pat Paulsell, acquired the company in  
11 1971 from a friend and has operated the system since that time. Mr. Paulsell is  
12 now 85 years old and has health challenges, however, he still handles the day to  
13 day operations of the system, reading meters, repairing leaks, chlorinating the  
14 water, collecting and sending monthly water samples for testing. His wife  
15 handles the billing and office duties.

16  
17 Last year, Windsong produced for the Paulsells a net income of \$364 – their only  
18 other source of income is a small hardware shop they run on their property, and  
19 Mr. Paulsell's Social Security income. This year, a pump failed and had to be  
20 replaced at a cost of \$2,537 – seven times more than their total net income in the  
21 test year (\$364).

22  
23 Windsong lacks an ADEQ-certified operator and is in non-compliance with  
24 ADEQ over that issue. Windsong used to have a part-time certified operator from  
25 St. Johns, however his salary was \$6,000 a year – nearly one-quarter the total  
26 gross revenues of Windsong and nearly 17 times the total net income from  
27 Windsong (\$364 in the test year); after taxes, power bills, and maintenance costs,

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there simply wasn't enough money left for that salary. Therefore, they had to let the operator go and Mr. Paulsell performs all operational and maintenance tasks.

Windsong is current on all property taxes and sales taxes. It does not have a Curtailment Plan or a Backflow Prevention tariff, and its annual reports have not been filed for several years – resulting in a Commission decision to revoke its corporate status.

**Q. How did this rate case application get developed?**

A. My colleague, Matt Rowell, was tasked by Global Water to assist me with this SWAT project. Mr. Rowell is well-known to the Commission, having served on Commission Staff and having served as a consultant to numerous water companies in cases before the Commission. Mr. Rowell and I travelled to Sanders and met with Mr. Paulsell and his wife to gather the documents and the data that form this rate application.

**Q. What are your recommendations?**

A. Mr. Rowell has completed the short-form application for Windsong, and it shows the following: The test year ends on 12/31/2012 and in that period, Windsong had total operating revenues of \$21,506 and sold 8,714,000 gallons of water. The Company is requesting an increase of \$55,873 a year, which would result in total operating revenues of \$77,379.

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Windsong's current rates, and our proposed rates, are:

**CURRENT RATES**

**PROPOSED RATES**

MINIMUM OR SERVICE CHARGES	\$ GALLONS	\$ GALLONS
5/8" x 3/4" Meter	\$18 for 3,000	\$55 for 0
3/4" Meter	NA	NA
1" Meter	NA	NA
1-1/2" Meter	NA	NA
2" Meter	NA	NA
3" Meter	NA	NA
4" Meter	NA	NA
6" Meter	NA	NA

GALLONS IN EXCESS OF MINIMUM
Commodity Charge in Excess of Minimum (Charge Per 1,000 Gallons)
First Tier
Second Tier
Third Tier
FLAT RATE

**Current Rates**

**Proposed Rates**

Rate	Gallons	Rate	Gallons
\$1.00	Per 1,000	\$2.75	1 - 7,000
NA		\$3.75	7,001 - 25,000
NA	NA	\$4.95	> 25,001
NA	NA	NA	NA

1 **Q. Are there any extraordinary issues that you have identified with Windsong?**

2 A. Yes. In our bill count, we found 828 bills in the test year. 73% of the bills  
3 showed household usage of less than 8,000 gallons a month. 8.1% showed usage  
4 between 8,001 and 12,000 gallons. Let me pause here to provide context,  
5 according to the Arizona Water Meter Report published by Wester Resource  
6 Advocates, Scottsdale has the highest water use per household of any Arizona city  
7 at 249 gallons a day (7,470 gallons a month).

8  
9 Now, admittedly, Sanders residents commonly have horses, gardens, fruit trees,  
10 etc. and they need to use more water than someone in Scottsdale. But even if you  
11 assume three times the amount of water use that Scottsdale has, i.e., about 25,000  
12 gallons a month, there is something happening with water use in Sanders. 8.6%  
13 of the bills show water use greater than 25,001 gallons a month, and 5% have  
14 water use over 50,000 gallons a month.

15  
16 **Bill Count Data (# of bills during year that reflected each usage range)**

17	18	19	20	21	22
0 - 8,000 Gallons	8,001-12,000 Gallons	12,001 - 25,000 Gallons	25,001 - 50,000 Gallons	>50,001 Gallons	Total
603	67	92	30	37	828

23 **Q. Do you have an opinion on what is behind this phenomenon?**

24 A. Sanders lies in the heart of Indian country. The Navajo Nation has long suffered  
25 from a brutal lack of water service. 40% of the Navajo Nation's 190,000  
26 residents have no potable water supply.<sup>1</sup> This past summer, the Navajo Nation  
27 declared a state of emergency as the Nation was hit with a drought that came from

<sup>1</sup> <http://navajopeople.org/blog/navajo-nation-running-out-of-water/>

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65% less than normal precipitation.<sup>2</sup> In some Navajo Chapters, 90% of the people are hauling water from livestock ponds to use in their homes.<sup>3</sup>

What is almost certainly happening is that the people of Sanders, 71.4% of whom are Native Americans, are helping their brothers and sisters on the Reservation by hauling water from Windsong.

There is certainly nothing wrong with their actions – any decent person would do the same. But it has put enormous, unsustainable pressure on Windsong’s assets. Windsong has one well, with a 45gpm capacity, a 1,000 gallon pressure tank, and a 40,000 gallon storage tank. I am not an engineer, but it doesn’t take an engineer to realize that Windsong’s assets are being overworked significantly – a 45gpm well sold 8.9 million gallons of water last year.

Implementing tiered rates may alleviate this problem – but if it does end high usage, that would mean that Windsong would be unable to meet its revenue requirement. In order to allow for possible reductions in high usage and provide some assurance that the revenue requirement is met we have recommended rates that generate a relatively high percentage of total revenue from the Monthly Usage Charge.

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<sup>2</sup> <http://indiancountrytodaymedianetwork.com/2013/07/05/navajo-nation-declares-drought-emergency-horses-die-lack-water-150284>

<sup>3</sup> <http://wrii.nmsu.edu/publish/watcon/proc51/trujillo.pdf>

1 While the rate increase we propose seems, and is, large as a percentage, i.e., from  
2 \$25 a month to about \$62 a month for the median customer, it needs to occur and  
3 it needs to occur quickly.  
4

5 **Q. How will the increased revenues improve the situation?**

6 A. Windsong's most recent inspection by the Arizona Department of Environmental  
7 Quality revealed significant deficiencies, none of which can be solved without a  
8 Certified Operator. (See Attachment A). Windsong had, in the past, the part-time  
9 help of a Certified Operator, but only a very limited amount of work was done,  
10 i.e., the Certified Operator pulled and submitted water quality samples for \$500 a  
11 month.

12 Windsong needs more than that; it needs its 61 meters read on a monthly basis, it  
13 needs a capital improvement plan to be launched to repair and improve its  
14 wellhead, pressure tank, and its storage tank. The Certified Operator who has  
15 agreed to help Windsong is Mr. Terry Oldham (his Operator Certificate is  
16 attached, see Attachment B). Mr. Oldham has the ADEQ inspection reports in  
17 hand and is currently conducting on-site inspections of Windsong in order to  
18 develop a plan to begin addressing the ADEQ issues.

19  
20 Additionally, the meters are almost all over 40 years old, and a Meter  
21 Replacement program is needed. We propose to replace one meter per month,  
22 which will allow Windsong to have all its meters replaced after 61 months. All of  
23 those improvements must be done under the control of a Certified Operator. Mr.  
24 Oldham and Windsong have reached a tentative agreement to provide him with a  
25 \$24,000 a year salary.  
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Additionally, we propose that Mr. Hollman file quarterly update reports with ADEQ and the Commission in which he will identify the improvements made to Windsong and the status of addressing the ADEQ deficiencies.

Without question, this is what Windsong's customers need: The system is operating on a \$1 per 1,000 gallon rate, the pumps are burning out annually as some of Sanders' residents help their friends and family on the Navajo Reservation by filling their water buffaloes, and the Windsong assets are being overwhelmed by age and overuse. Unfortunately, the only solution to old and overused assets is repair and replacement – and that means rates must go up dramatically.

**Q. What do you propose for salary and compensation for the owners, Patten Paulsell and his wife Lillie Paulsell?**

A. The Paulsells provide all the billing, customer service, and routine maintenance for Windsong. We propose that each of them be paid the minimum wage for twenty hours a week; putting their combined salaries at \$16,224 per year.

**Q. How will the needed improvements to address the ADEQ deficiencies be funded?**

A. We are going to contact the Water Infrastructure Financing Authority of Arizona (WIFA) to begin exploring loans (once we have Mr. Olham's report on needed improvements.) We may need to supplement this filing with a financing application. Additionally, we intend to request meetings between Commission Staff, ADEQ Staff, and WIFA to develop a workable capital improvement plan for Windsong.

1 **Q. It appears that there is important information still required for the**  
2 **Commission to evaluate this filing, why are you filing it without the WIFA**  
3 **and Capital Improvement Plan information?**

4 A. I appreciate the need for those numbers – however, time is of the essence.  
5 ADEQ’s inspector, Steve Camp, wrote that Windsong may well be “one of the  
6 most troubled systems in Arizona.” I have spoken with Mr. Camp and with the  
7 head of ADEQ’s Enforcement Bureau, Mr. Chris Byrd. We all agree that we  
8 need to begin working with the Commission and developing a financial platform  
9 that allows Mr. Hollman, ADEQ, and Windsong to consider and begin a plan to  
10 bring the system into compliance. Under no circumstances can Windsong’s  
11 problems begin to be addressed without more revenue – thus I decided to file the  
12 application “as is” and begin what I expect to be numerous conversations with  
13 Staff and ADEQ.

14  
15 **Q. Has ADEQ conducted a recent inspection of Windsong? If so, what were the**  
16 **findings?**

17  
18 A. Yes ADEQ issued a Field Inspection Report dated December 3, 2013. The  
19 ADEQ inspector, Mr. Steve Camp, found 34 potential deficiencies and 20 items  
20 in compliance. My conversations with Mr. Camp and his section manager  
21 Christopher Byrd indicate that Windsong is one of the most troubled water  
22 systems in Arizona. Some of the major deficiencies are:

- 23  
24 1. No Certified Operator  
25 2. No lead, copper, uranium, radiochem sampling; no maximum residual  
26 disinfectant level sampling, lack of coliform sampling  
27 3. Storage tank, well house, and well head need maintenance and repair

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- 4. Improper use of household bleach as system disinfectant
- 5. No backflow prevention tariff
- 6. No emergency plan

I believe that a certified operator can resolve each of those major deficiencies – however that will require a salary and a capital improvement plan. Mr. Terry Oldham could provide Windsong with the expertise to solve these issues but he would need a salary and funding for the maintenance, replacement and repairs.

Given Windsong’s financial and operational challenges, I believe the Commission and the Department of Environmental Quality will want to closely monitor its compliance and its status in addressing the 34 deficiencies ADEQ identified.

I propose that Windsong be required to confirm monthly that it still retains the services of a certified operator and to affirm that the operator is being paid per his or her contract. I also propose that Windsong be required to submit each quarter, a report from the certified operator which lists the improvements made to each of the ADEQ-identified deficiencies (and any other items the Commission may desire to monitor.)

**Q. Does this conclude your direct testimony?**

A. It does.

Attachment A  
To the Direct Testimony of  
Paul Walker  
Regarding  
Arizona Windsong Realty, Inc.



Janice K. Brewer  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007  
(602) 771-2300 • [www.azdeq.gov](http://www.azdeq.gov)



Henry R. Darwin  
Director

December 3, 2013

Arizona Windsong Water Company  
Attn: Pat Paulsell  
PO Box 261  
Sanders, AZ 86512

RE: AZ Windsong Water Company, Sanders, Arizona  
PWSID AZ0401090  
ICE Database Inspection 207236

Dear Mr. Paulsell:

The Water Quality Utility Field Services Unit (WQUFSU) of the Arizona Department of Environmental Quality (ADEQ) has enclosed an inspection report regarding the inspection conducted at the above referenced facility on November 5, 2013. The inspection was conducted to determine compliance with Arizona Revised Statute (A.R.S.) §49-351 et seq. and Arizona Administrative Codes A.A.C. R18-4-101 et seq and A.A.C. R18-5-101 et seq.

As indicated in the enclosed Inspection Report, potential deficiencies were noted during the course of the inspection, so additional correspondence regarding the inspection may be forthcoming. ADEQ will provide monthly updates on the status of any agency action resulting from the inspection as required by A.R.S. §41-1009(H). Arizona Windsong is currently under an EPA order.

If you have any questions regarding this letter, please feel free to contact me at (928) 679-7324 or by e-mail at [sec@azdeq.gov](mailto:sec@azdeq.gov).

Sincerely,

Steve Camp  
Environmental Engineering Specialist  
Water Quality Utility Field Services Unit

Encl: Inspection Checklist/Report



# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY GROUND WATER DRINKING WATER SYSTEM INSPECTION REPORT

FACILITY INFORMATION			
INSPECTION No.:	207236	PWS No.:	<del>01090</del> 2718 Place ID 01090
PLACE NAME	Arizona Windsong Water Company		
STREET ADDRESS:	Sanders, AZ		
OWNER/RESPONSIBLE PARTY:	Arizona Windsong Water Company		
MAILING ADDRESS:	P.O. Box 261, Sanders, AZ 86512		
EMAIL:			
PHONE No.:	<del>928</del> 505-870-6700		
ADMINISTRATIVE CONTACT:	Pat Paulsell	MAILING ADDRESS:	P.O. Box 261 Sanders, AZ 86512
TITLE:	President	PHONE No.:	<del>928</del> 505-870-6700
PWS CLASSIFICATION:	Community	TREATMENT GRADE:	0
POPULATION:	120	DISTRIBUTION GRADE:	1
NUMBER OF SOURCES:	1	NUMBER OF EPDSs:	1
TREATMENT PLANTS:	0	SERVICE CONNECTIONS:	60
Treatment or disinfect / #	0		
FACILITY OPERATOR:	None	CERTIFICATION/EXPIRATION	No operator
OPERATOR No.:	OP	Treatment Grade/Date:	
		Distribution Grade/Date:	
DESCRIPTION OF WATER SYSTEM			
<p>This is a <u>Community</u> water system serving the town of <u>Sanders</u>, Arizona.</p> <p>The system is composed of:</p> <p><u>1</u> wells <u>0</u> spring box(es) <u>1</u> chlorinators (type) <u>1</u> booster pumps</p> <p><u>0</u> treatment plants (describe) _____</p> <p><u>1</u> hydro pneumatic pressure tanks (capacity) _____</p> <p><u>0</u> bladder type pressure tank (capacity) _____</p> <p><u>1</u> storage tank (capacity) _____</p> <p><u>0</u> consecutive connection (provider) _____ (customer) _____</p> <p><u>0</u> Loading stations <u>1</u> Pressure Zones <u>0</u> Fire Protection/Back Flow Assembly Devices</p> <p>Other _____ distribution system.</p>			
COMPLIANCE SUMMARY		YES	NO
Certified Operator (System Grade)			X
Physical Facilities			X
Monitoring and Reporting (M&R)			X
Potential Deficiencies	X	No Further Action	
Inspector <u>Steve Camp</u> Title <u>EEs</u> Arizona Department of Environmental Quality Phone <u>928-679-7324</u>		Inspection Date <u>11-5-13</u>	
PHOTOGRAPHS TAKEN DURING INSPECTIONS ARE AVAILABLE ON REQUEST			

Drinking Water Sanitary Survey Inspection Authority: A.A.C. R18-4-208 (supp.08-3) to determine compliance with A.R.S. Title 49, Ch. 2, Art. 9(2012); A.A.C. Title 18, Ch. 4 (supp.08-3) & 5 (supp.08-4) Revision date 16SEP13

**GROUNDWATER INSPECTION CHECKLIST**

Y – Yes, N – No, NA – Non-applicable (see Notes and Potential Deficiencies for N status)

**Section A. Well(s) Spring(s)\* see notes for specific components**

Inspection Point and Rule Citation	Y	N	NA
1. Water supply clear of 100 year flood zone (R18-5-501.2)	X	<del>X</del>	
2. Ground Water Under the Influence (GUDI) of surface water; < 500ft from surface water (R18-4-212)		X	
3. State well number posted (B10, Chap 2.E.1)		X	
4. Sampling tap installed at well (B10, Chap. 3.G.1)	X		
5. Adequate drainage away from the well (B10, Chap. 2.E.6)	X		
6. Sanitary slab (B 10, Chap. 2.E.9) N = see notes		X	
7. Well casing, cover, sanitary seal (B10, Chap. 2.E.9) N = see notes		X	
8. Casing extends 12" above slab ( B10 Chap.2.E.8)	X		
9. Vent turns down and terminates 2 feet above slab with #16 mesh screen (B10, Chap. 3.G.2) see notes		X	
10. Check valve on pipe from well (B10, Chap. 3.C.4)	X		
11. Well enclosed or fenced (B10 Chap 2, G.18)	X		
12. Spring or infiltration collection box (B10, Chap 2.F) N = see notes		X	
13. Consecutive connection (R18-4-124) [40DFR 141.402(a)(4)]		X	
14. Other deficiencies see Notes and Potential Deficiencies			

\* B10-ADEQ Engineering Bulletin No.10 is incorporated by reference in R18-5-502

**B. Disinfection see notes for specific components**

Inspection Point and Rule Citation	Y	N	NA
1. Disinfection equipment (R18-4-213.B)	X		
2. Disinfection compound ANSI / NSF 60 approved (R18-4-213.A)		X	
3. Label disinfectant container (R18-4-213.B)	X		
4. Proper chlorine levels (CFR40.141.65) (B8, Part 2) <swimming pool test kit not compliance> ?			
5. Adequate disinfectant monitoring (R18-4-303B) ?			
6. Disinfectant available (R18-4-303B)	X		
7. Chemical storage separate (B10, Chap 4.A.1.b.10)			X
8. Other disinfection see Section B of narrative			

\*B8-ADEQ Engineering Bulletin No. 8 incorporated by reference in R18-5-502 and ADEQ Engineering Bulletin 10

**C. Pressure Tanks see notes for specific components**

Inspection Point and Rule Citation	Y	N	NA
1. Operational pressure gauge (B10, Chap 5.D.1)			
2. Operational water level or site gauge (B10, Chap 5.D.4)			
3. Operational pressure relief valve (B10, Chap 5.D.2)			
4. Operational air relief valve (B10, Chapter 5.D.3)			
5. Operational drain valve (B10, Chap 5.D.5)			
6. Other deficiencies see Section C of narrative	X		

\*B10-ADEQ Engineering Bulletin No.10 is incorporated by reference in R18-5-502

**D. Storage Tanks see notes for specific components**

Inspection Point and Rule Citation	Y	N	NA
1. Meets minimum storage capacity for C or NC water system (R18-5-503) average daily demand during the peak month of the year, if not available estimate 100 gallons per person per day	X		
2. Evidence that products conform to ANSI/NSF 61 (R18-4-213.C) (AWWA Standard D102)		X	
3. Drain is air gapped from sanitary sewer, storm drain or irrigation conveyance (B10, Chap 6.E.4)	X		
4. ANSI exempt concrete storage tank (R18-4-213.E.1)		X	
5. ANSI exempt earthen reservoir upstream of treatment (R18-4-213.E.2)		X	
6. ANSI exempt galvanized or synthetic tank <15,000 gallons/population <500 (R18-4-213.E.3)		X	
7. Located clear of or protected from 100 year flood (B10, Chap 6.E.1.a)	X		
8. Vents protected with #16 mesh non-corrodible screen (B10, Chap 6.E.9)			
9. Overflow pipe with #16 mesh non-corrodible screen (R18-5-502)(B10 Chap 6.E.6)			
10. Hatch has gasket or seal (R18-5-502) and locking device (B10, Chap.6.E.8)			
11. All finished water storage has water tight cover or roof (B10, Chap 6.E.2, 10, 11)	X		
12. Area within 100 ft. of tank graded to provide drainage away from tank (B10, Chap. 6.E.14) Foundation (B10, Chap 6.E.5)	X		
13. Can be isolated from system for maintenance and cleaning (B10, Chap 6.E.4)		X	
14. Working mechanical, automatic gauge or alarm (R18-5-502)(B10, Chap 6.E.7)		X	

15. Documented maintenance and service (B10, Chap 6.)		X	
16. Operation and maintenance manual including manufacturers' specifications and manuals (R18-5-507.B.3) (B10, Chap 1.M)		X	
17. Other deficiencies see Section D in narrative			

\*B10-ADEQ Engineering Bulletin No.10 is incorporated by reference in R18-5-502

**E. Treatment** see notes for specific components

Inspection Point and Rule Citation	Y	N	NA
1. Treatment adequate (40CFR 141.403) (B10, Chap 4.A)			
2. Blending to achieve compliance (R18-4-217)			
3. Point of use (POU) (R18-4-218)			
4. Permit to backwash to surface water (B10, Chap 4.R.2.a)			
5. Type 3 general Permit to discharge to impound (R18-9-D301 and 302) (B10, Chap 4.R.2.b)			
6. Disinfectant available (R18-4-303B)			
7. Drying beds (B10, Chap 4.R.2.c)			
8. Filtration media waste disposal (B10, Chap 4.R)			
9. O&M manual on site (water treatment only) (R18-5-507.B.3)			
10. Other treatment see Section F narrative			
11. Other deficiencies see Section F in narrative			

\*B10-ADEQ Engineering Bulletin No.10 is incorporated by reference in R18-5-502

**F. Distribution System\***

Inspection Point and Rule Citation	Y	N	NA
1. System pressure >20 <100psi throughout system (R18-5-502.B) (B10, Chap 7.C.2)	X		
2. ANSI/NSF 61 approved material (R18-5-502.C.6) <i>See notes</i>			
3. Shutoff valves, pressure reducing valves, relief valves (B10, Chap 7, D)	X		
4. Hydrants or fire protection (B10, Chap 7.E)		X	
5. Cross connection/ backflow prevention (R18-4-215A) (B10, Chap 7.H)		X	
6. Water loading station (B10, Chap 7.K)		X	
7. Separate non potable system with connections labeled (B10, Chap 7.M.2 & 3)		X	
8. Other deficiencies see Section F in narrative			

\*B10-ADEQ Engineering Bulletin No.10 is incorporated by reference in R18-5-502

**G. Operator**

Inspection Point and Rule Citation	Y	N	NA
1. Certified operator (R18-4-202) <i>See notes</i>		X	
2. Operator in direct responsible charge certified at correct grade (R18-5-104 A.2)		X	
3. Onsite operator for Grade 3 or 4 facility (R18-5-104.E) (R18-5-104.E.1)			X
4. Relief operator certificate no lower than 1 grade below system grade (R18-5-104.A.5)			X
5. Remote operator <200 road miles from facility (R18-5-104.E.5)			X
6. Remote operator visits grade 1 and 2 systems at least monthly (R18-5-104.E.7.a)			X
7. Written instructions provided by remote operator (R18-5-104.E.3)			X
8. Other deficiencies (see Section G in narrative if checked)			

**H. General Deficiencies**

Inspection Point and Rule Citation	Y	N	NA
1. Emergency Plan for community system (R18-4-204)		X	
2. Components enclosed by building or security fencing at least six feet high with locking gate (B10, Chap.3.E)	X		
3. Good house keeping (R18-4-203)		X	
4. Backflow Prevention Program (R18-4-215.G)		X	
5. Other deficiencies see Section H in narrative			

**I. Monitoring and Reporting**

Inspection Point and Rule Citation	Y	N	NA
1. Sampling reporting to ADEQ (R18-4-106)		X	
2. Consumer Confidence Report delivered in community systems (R18-4-117)		X	
3. Microbiological site sampling plan (40CFR Part 141.21; R18-4-218.D)		X	
4. Public Notices compliance (R18-4-119) (40CFR Part 141.201)		X	

5. Records retained (40CFR Part 141.33)		X	
6. Other deficiencies see Section I in narrative			

J. Sampling* details below			
Inspection Point and Rule Citation	Y	N	NA
1. Total Coliform		X	
2. Nitrate/Nitrite	X		
3. Lead and Copper		Y	
4. Chlorine residual		Y	
5. DBPs TTHM/HAA5		X	
6. Monitoring Assistance Program participant (A.R.S. § 49-360)	X		
7. Additional sampling listed in Section J			

Sampling Requirements X = sampling required for this system					
	A copy of the system sampling schedule was left with the operator of record or the owner during the inspection.				
Required	Sampling	Quantity	Frequency	Compliance	Deficiency
X	Coliform	1	Monthly		X
X	Maximum Residual Disinfectant Level (MRDL) (taken at the same time, point and quantity as coliform samples)				X
X	Lead & Copper Samples taken from June 1 – September 30 Next sample(s) due by September 30,				X
X	Disinfection Byproducts (DBP) Please check your site specific Stage 2 Sampling Plan				X
X	This system participates in the Monitoring Assistance Program (MAP). Therefore, the system is only required to obtain distribution system samples, and any increased monitoring parameters identified through MAP sampling. MAP samples for regulated volatile organic chemicals (VOCs), regulated synthetic organic chemicals (SOCs), and regulated inorganic chemicals (IOCs). Because of the efficiency of the program and the cost-effectiveness of the economies of scale involved, the program was expanded in recent years to include asbestos, radionuclides, nitrite, nitrate, and nickel. For the current sampling schedule see: <a href="http://www.azdeg.gov/environ/water/dw/map.html">http://www.azdeg.gov/environ/water/dw/map.html</a> .				
	Nitrate MAP X EPDS Next sample(s) due by _____				
	Nitrite MAP X EPDS Next sample(s) due by _____				
	Inorganic Compounds (IOC) MAP X EPDS Next sample(s) due by _____				
	Volatile Organic Compounds (VOC) MAP X EPDS Next sample(s) due by _____				
	Synthetic Organic Compounds (SOC) MAP X EPDS Next sample(s) due by _____				
	Asbestos MAP X EPDS Next sample(s) due by _____				
	Arsenic MAP X EPDS Next sample(s) due by _____				
X	Radiochemicals MAP EPDS Next sample(s) due by _____	1	Quarterly		X
X	Combined Uranium MAP EPDS Next sample(s) due by _____	1	Quarterly		X

#### Notes and Potential Deficiencies

- The well head was in need of repair or replacement.
- No well number was observed on the well or well building.
- No Sanitary slab was observed around the well head. dirt was observed around the well casing. A well slab may be present beneath the dirt. ADEQ staff was not able to determine the condition of the well slab.
- No well vent was observed on the well head.
- ADEQ staff observed a pile of empty bleach bottles. household bleach is not NSF standard 60 Approved for Potable water systems
- The first, second and third Quarter MRDL reports have not been submitted to ADEQ to determine if proper Chlorine residual levels have been maintained.
- The well house consisted of a metal shed. The shed is in a state of disrepair and in need of repair or replacement.
- The owner was not present during the sanitary survey - ADEQ staff was not able to inspect the interior of the Pump house building. However, ADEQ staff observed water coming out ~~of~~ from beneath the door to the Pump house building. ADEQ staff was not able to determine if the pressure tank had a sight gauge, Air relief, Pressure relief valve or drain valve.

#### Notes and Potential Deficiencies

- The storage tank was in need of repaint and maintenance. ADEQ Staff did not observe a sight gauge. ADEQ was not able to determine if the vent or overflow had a #16 screen, or if the hatch was sealed.
- ADEQ was not able to determine if the distribution system was constructed of an NSF standard 61 material.
- There is no certified operator for this system.
- Lead and Copper initial sampling has not been completed. Initial lead and copper sampling shall consist of two rounds of sampling completed six months apart.
- Radio chems and combined uranium sampling are on a quarterly sampling schedule. Sampling was last conducted on 9-12-2011.
- TTHM and HAA5 sampling has not been conducted.

Photos

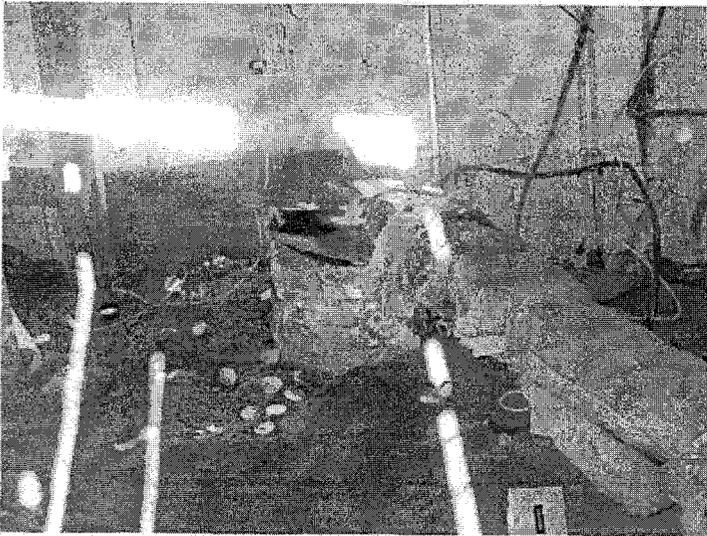


Photo #1 – System well

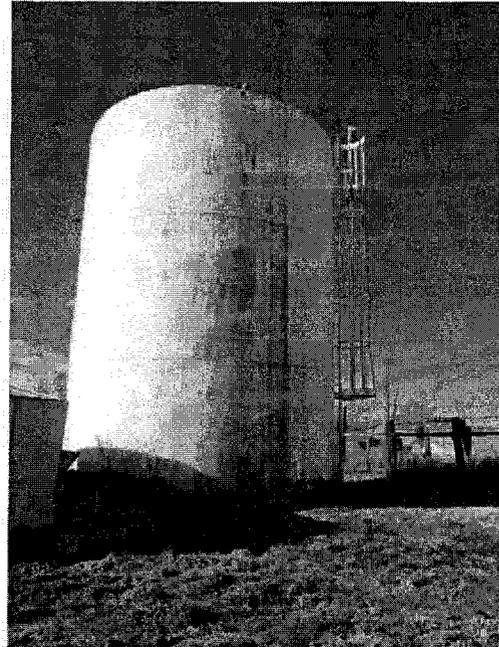


Photo #3 – Storage tank



Photo #2 – water coming from beneath the door of the pressure tank building,

Attachment B  
To the Direct Testimony of  
Paul Walker  
Regarding  
Arizona Windsong Realty, Inc.

Arizona Department of Environmental Quality  
 Operator Certification Program  
 1110 West Washington Street  
 Phoenix, Arizona 85007

**TERRY OLDHAM, OP006057**

has complied with the requirements for operator certification in the State of Arizona pursuant to Arizona Revised Statutes, Title 49, Chapter 2, Articles 9 and 10, and Arizona Administrative Code, Title 18, Chapter 5, Article 1. Therefore, the Arizona Department of Environmental issues this Certificate of Registration as a

Certificate	Grade and Classification	Exp. Date
60173	Grade 2 Wastewater Collection System Operator	7/31/2016
60174	Grade 2 Water Distribution System Operator	7/31/2016
60175	Grade 3 Water Treatment Plant Operator	7/31/2016
60176	Grade 3 Wastewater Treatment Plant Operator	7/31/2016

TERRY OLDHAM  
 PO BOX 975  
 EAGAR, AZ 85925

## ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

**TERRY OLDHAM, OP006057**

has complied with the requirements for operator certification in the State of Arizona pursuant to Arizona Revised Statutes, Title 49, Chapter 2, Articles 9 and 10, and Arizona Administrative Code, Title 18, Chapter 5, Article 1. Therefore, the Arizona Department of Environmental issues this Certificate of Registration as a

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60175	Grade 3 Water Treatment Plant Operator	7/31/2016
60176	Grade 3 Wastewater Treatment Plant Operator	7/31/2016

*Will P. Reed*

Operator Certification Coordinator

**Contact the Operator Certification Program with all updates and questions regarding Operator Certification in Arizona 602-771-4638.**

**For a list of Operator Certification Workshops.**  
<http://www.azdeq.gov/environ/water/dw/other.html>

**Register for the ADEQ Drinking Water/Wastewater Operator Certification list serve**  
<http://www.azdeq.gov/subscribe.html>

# ARIZONA CORPORATION COMMISSION



**RATE APPLICATION  
FOR WATER COMPANIES  
WITH ANNUAL GROSS OPERATING REVENUES  
(INCLUDING REQUESTED RATE RELIEF)  
OF LESS THAN \$250,000  
PER ARIZONA ADMINISTRATIVE CODE R14-2-103  
Details at website: [www.azcc.gov](http://www.azcc.gov)**

Arizona Windsong Realty Inc.

UTILITY NAME

December 31, 2012

TEST YEAR ENDED

**Required invoices to be submitted are listed in the checklist on page 1.**

You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application please call (602) 542-4251 for Staff assistance or see our website at: [www.azcc.gov](http://www.azcc.gov)

IN ORDER TO PROCESS YOUR APPLICATION  
PLEASE FORWARD THE ORIGINAL  
AND THIRTEEN COPIES OF THE  
**APPLICATION** PLUS  
THREE PACKETS WITH COPIES OF  
CHECKLIST ITEMS 5-11 (PAGE 1)

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL CENTER  
1200 WEST WASHINGTON STREET  
PHOENIX, ARIZONA 85007

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## WATER RATE APPLICATION CHECKLIST

Please use the following checklist to ensure that all necessary attachments are included in the application. Provide an explanation for any omitted item. Please include 13 copies of this application in your application submission. Also, please include three packets with copies of checklist items 5-11.

### ORIGINAL APPLICATION PACKAGE ITEMS

- 1. Please include 13 copies of this application in your submission. Also, Please include three packets with copies of checklist items 5-11.
- 2. The Arizona Department of Revenue ("ADOR") certificate of compliance letter of good standing. Use the Tax Clearance Application (Form# 25-0002) found on the ADOR website at <http://www.azdor.gov/Forms/Other.aspx>. (Send in the certificate of compliance with your application.)
- 3. The utility's most recent Arizona Department of Environmental Quality ("ADEQ") annual sampling fee invoice for its Monitoring Assistance Program.
- 4. Invoices for each plant asset purchase in excess of \$150 for the Test Year, as well as all of the intervening years since the utility's prior Test Year as itemized on page 13.

**Please provide 3 packets with copies of the following information to support entries on the Income Statement on page 19:**

- 5. A breakdown by name, position, salary, and duties for the Salaries and Wages expense. (Acct. 601)
- 6. Invoices for Purchased Water during the Test Year. (Acct. 610)
- 7. Invoices for Purchased Power during the Test Year. (Acct. 615)
- 8. Invoices for Repairs and Maintenance in excess of \$150 incurred during the Test Year. (Acct. 620)
- 9. Invoices for Outside Services in excess of \$150 incurred during the Test Year. (Acct. 630)
- 10. Invoices for Water Testing during the Test Year (Acct. 635)
- 11. Statements from the county for Property Tax expenses incurred during the Test Year. (Acct. 408.11)

## GENERAL INSTRUCTIONS

Processing the request for a rate adjustment requires completion of ALL PARTS of this application. Complete the Narrative Description of the Application for Rate Adjustment on pages 3 and 4, as well as the statements on pages 5 and 6. Read the accompanying instructions and fill in the entries on pages 9 through 31. Dollar amounts should be rounded to the nearest dollar. NO ENTRY SHOULD BE LEFT BLANK. If an amount is zero, enter a zero. **Any application that is found to be insufficient will not be processed until the deficiencies are corrected per A.A.C. R14-2-103.B.7.**

A completed application also **requires** notification of customers of the rate request. The format of the customer notification letter is provided on page 32 of this application. Use the language and form of this letter in notifying customers. The customer notification **must** be provided to customers on the same date as the rate application is filed. A copy of this notice, together with a **notarized** cover letter stating the method of customer notification and the date the notification was sent to the customers, **must** accompany the application form.

Please provide any supplementary information the Company believes will assist in the evaluation of the rate request. For example, if expense items are substantially different from the latest annual report filed with the Commission, or if significant plant additions have been made since the prior rate increase, attach supporting explanations for those changes to the application. Clearly label any attachments and staple them to the application.

Selection of a Test Year for the utility is an important part of the application. A Test Year older than the year reflected in the most current Annual Report filed with the Utilities Division is usually considered outdated. Questions regarding the selection of a Test Year should be addressed to the Chief of Accounting and Rates at (602) 542-0743.

Please contact the Arizona Department of Revenue and request a certificate of compliance letter of good standing regarding taxes. Submit a copy of this compliance certificate.

After you have included all the required items from the checklist on the previous page, please submit the **original and thirteen copies** of the completed application with a cover sheet to:

Arizona Corporation Commission  
Docket Control Center  
1200 West Washington Street  
Phoenix, Arizona 85007

Also, please include **three packets** with copies of checklist items 5-11 in your application filing.

## NARRATIVE DESCRIPTION OF APPLICATION FOR RATE ADJUSTMENT

### Instructions:

Please provide the reasons for your requested rate adjustment by checking the appropriate box(es) below. If desired, the Company may also attach a written narrative regarding its reasons for the requested rate adjustment. Your narrative may also include efforts made by the utility to control costs/expenses and/or mitigate the amount of rate adjustment.

- Changes in current, compared to past operations, that necessitate the rate adjustment  
Please explain:

The Company's owner, Mr. Paulsell and his wife, have been operating the company on their own for the past several years. Because of his advanced age Mr. Paulsell is no longer able to operate the company by himself and therefore rates must be adjusted to pay for an employee. Furthermore, current revenue is not adequate to cover Windsong's expenses. See the attached testimony of Paul Walker for additional discussion of the Company's circumstances.

- Descriptions and/or calculations of adjustments made to amounts that are included in this application that are different than amounts recorded in your books/ledgers (pro forma adjustments)  
Please explain:

Salaries and Wages Expense of \$40,224 is included as a pro forma adjustment to the expenses. This includes \$24,000 for a certified operator who can take care of the day to day maintenance of the Company's plant and equipment as well as work on improvements. \$16,224 is also included for compensation of Mr. and Mrs. Paulsell for their time spent on calculating bills, sending bills and managing payment (assumes 20 hours per week for each of Mr. and Mrs. Paulsell at the minimum wage of \$7.80 per hour.)

- Significant factors influencing your revenues, expenses and/or rate base  
Please explain:

Windsong is a small system and its backbone infrastructure is quite old (e.g., Windsong's 40,000 gallon water tank was installed in the 1940s.) Because of the age of the infrastructure repairs have become more necessary and expensive over time. Mr. Paulsell's advanced age necessitates hiring an employee.

- Anticipated growth/decline in customers expected in the next two years, the amount of anticipated construction to serve those customers, and how financed; the type of customers served by the utility, e.g. residential, irrigation, small retail businesses, large commercial, etc.  
Please explain:

All of Windsong's customers are residential or (very) small businesses. No customer growth is expected. A decline in customers would not be surprising.

- Anticipated construction  
Please explain:

Windsong's current infrastructure is functional but is in need of significant enhancements.

Efforts made to encourage conservation of water through the proposed rate design or through other means

Please explain:

A three tiered rate structure with zero gallons in the monthly minimum charge is being proposed. The current rate structure has a single tier and 3,000 gallons included in the monthly minimum charge. Moving to a three tiered rate should result in some conservation.

Other factors

Please explain:

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*Attach additional pages as necessary.*

Company Name: Arizona Windsong Reality, Inc.	Test Year Ended: 2012
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**AFFILIATE RELATIONSHIP**

Please indicate a **yes** or **no** answer to the questions below and provide an explanation where necessary.

A parent-subsiary relationship, or affiliation, with another entity includes corporations, partnerships, sole proprietorship, limited liability corporations (LLCs), as well as common ownership of a water company and another entity, such as a development company or wastewater company.

Are any assets owned jointly with any affiliated or subsidiary entities?

YES       NO

If **Yes**, please provide a description of each jointly owned asset, it's cost, and the percentage of the asset owned by the utility. (Please note the amounts reported on pages 13 and 15 should only include the percentage of plant owned by the utility.)

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Were any of the assets constructed or acquired from an affiliated or subsidiary entity?

YES       NO

If **Yes**, please identify the affiliated entity, the relationship with the utility, and a detailed listing of all transactions reflected in the Plant accounts. Also include detail for other balance sheet accounts, such as Advances, Contributions in Aid of Construction, inter-company payables and receivables, as well as affiliated revenues and expenses from the Company's Income Statement.

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## STATEMENTS IN SUPPORT OF RATE REQUEST

Complete the following statements in support of your rate request.

Arizona Windsong Reality, Inc. (the "Company") requests an adjustment in the existing rates charged by the Company. The information contained in this application is based upon a twelve-month Test Year ending 12/31/12. The Company had total operating revenues of \$21,506 served 69 metered and 0 un-metered

(from page 19)

customers, and sold 8,714,000 gallons of water during the Test Year.

(from page 18)

The Company is requesting an increase in revenues in the amount of \$55,873.

Total annual operating revenues, if the Company is granted the rate adjustment, will be \$77,379.

The Company is current on all property taxes.  YES  NO

The Company is current on all sales taxes.  YES  NO  
(Please see checklist item 2 on page 1.)

The Company currently has a Curtailment  
Plan Tariff on file with the Commission  YES  NO

The Company currently has a Backflow Prevention  
Tariff on file with the Commission.  YES  NO

The Company notified its customers of its application for a rate adjustment on

(mm/dd/yy). **A COPY OF THE NOTICE WITH A NOTARIZED COVER LETTER STATING THE METHOD OF CUSTOMER NOTIFICATION, AS WELL AS THE DATE OF THE NOTIFICATION, MUST BE ATTACHED. (See page 32)**

By completing this application in support of the Company's request for a rate adjustment, the Company realizes that Original Cost Less Depreciation ("OCLD") plant information will be used to determine the fair value rate base, i.e., the Company waives the right to Reconstruction Cost New.

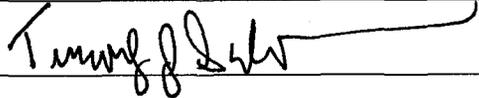
The utility company ownership is one of the following:

- Sole Proprietorship
- Partnership
- "C" Corporation
- "S" Corporation
- Limited Liability Corporation ("LLC")
- Association--Cooperative
- Other, please specify: \_\_\_\_\_

**Note: If a corporation, please list stockholders and the respective number of shares owned below.**

Stockholders	Number of Shares Owned
Paul Paulsell	100%

I have read and completed this application, and to the best of my knowledge all of the information contained herein, and attached to this application, is true and correct.

Name of Authorized Representative (print): Timothy J. Sabo	Company Name: Roshka, DeWulf, & Patten
Title: Timothy J. Sabo, Lawyer for Applicant	Address: 400 East Van Buren Street, Suite 800 Phoenix, Arizona 85004
Signature: 	
Date: January 31, 2014	Phone Number: 602.256.6100
E-mail Address: <a href="mailto:tsabo@rdp-law.com">tsabo@rdp-law.com</a>	Fax Number: 602.256.6800
Website Address:	

## CURRENT AND PROPOSED RATES AND CHARGES INSTRUCTIONS

Complete the schedule on page 9 showing rates and charges currently in effect, and those proposed by the Company. Specify the customer class or classes (i.e., residential, commercial, industrial, irrigation, all, or other classes) in the space provided.

### MONTHLY CHARGE:

Enter the monthly minimum (or service) charge and gallons included in the minimum for each meter size. For example, enter "\$12.00 for zero gallons." Propose a monthly minimum (or service) charge for every meter size listed on page 9. Also, enter the commodity (or excess) charge for the gallonage the customer will be charged for gallons used over those included in the minimum charge. For example, enter "\$1.25 per 1,000 gallons." If excess charges vary with gallonage used, enter the rates and gallons covered in each tier of consumption in the space provided. For example:

First Tier	Up to 3,000 gallons	\$1.00 per 1,000 gallons
Second Tier	3,001 to 10,000 gallons	\$1.50 per 1,000 gallons
Third Tier	Over 10,000 gallons	\$2.50 per 1,000 gallons

If a flat rate, rather than a metered rate, is currently approved or proposed, enter the monthly rate in the space provided. A "flat rate" is a charge that is not based on gallons used. (For example, \$10.00 for all the water you can use.) If the Company currently has a flat rate and wishes to continue this rate, please contact the Chief of Accounting and Rates at 602-542-0743. It is likely that Staff will **not** recommend the continuation of such a rate.

**CURRENT AND PROPOSED RATES AND CHARGES**

CUSTOMER CLASS:    Residential    Commercial    Industrial  
                                Irrigation    All                     Other, specify \_\_\_\_\_

	CURRENT RATES	PROPOSED RATES
MINIMUM OR SERVICE CHARGES	\$            GALLONS	\$            GALLONS
5/8" x 3/4" Meter	\$18 for 3,000	\$55 for 0
3/4" Meter	NA	for
1" Meter	NA	for
1-1/2" Meter	NA	for
2" Meter	NA	for
3" Meter	NA	for
4" Meter	NA	for
6" Meter	NA	for

GALLONS IN EXCESS OF MINIMUM
Commodity Charge in Excess of Minimum (Charge Per 1,000 Gallons)
First Tier
Second Tier
Third Tier
FLAT RATE

Current Rates		Proposed Rates	
Rate	Gallons	Rate	Gallons
\$1.00	3,000 and up	\$2.75	Up to 7,000
NA	NA	\$3.75	7,001 to 25,000
NA	NA	\$4.95	Over 25,000
NA	NA	NA	NA

**Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.**

## SERVICE CHARGES INSTRUCTIONS

Listed below are current and proposed service charges as appropriate. Commission Rules should be consulted in proposing new service charges. Please list current and proposed rates on Page 11, as well as any service charges not listed below that the Company proposes to charge.

<b>Service Charge (Commission Rule)</b>	<b>Description</b>
Service Line and Meter Installation Charge (R14-2-405.B)	A refundable Advance in Aid of Construction paid by a new customer to cover the cost of installing all customer piping up to the meter, as well as the cost of installing the meter. Propose a charge for every meter size listed on page 11.
Establishment (R14-2-403.D.1)	A charge covering the cost to establish a new account for a person requesting service when the utility needs only to install a meter for initial establishment, reestablishment, or reconnection.
After Hours Service Charge (R14-2-403.D.2)	A charge covering the cost of establishment, re-establishment and reconnection-delinquent after normal hours at the customer's request or for the customer's convenience. *After Hours Service Charge will be in addition to the charge for any utility service provided.
Meter Test (R14-2-408.F)	A charge for testing the accuracy of a meter upon a customer's request. No charge will be levied if the meter is found to be in error by more than +/- three (3) percent.
Deposit (R14-2-403.B)	A refundable security deposit not exceeding two times the average residential class bill for residential customers, and not exceeding two and one-half times a non-residential customer's estimated maximum monthly bill.
Deposit Interest (R14-2-403.B.3)	Annual percentage interest rate applied to customer deposits. A six percent rate shall be applied if the company does not specify an interest rate with the Commission.
Re-establishment (R14-2-403.D.1)	A charge for service at the same location where the same customer had ordered a service disconnection within the preceding twelve-month period.
NSF Check (R14-2-409.F.1)	A fee for each instance where a customer tenders payment for utility service with an insufficient funds check.
Deferred Payment (R14-2-409.G.6)	Applicable monthly finance charges (interest rate) applied in a deferred payment agreement between the company and a customer.
Meter Re-read (R14-2-408.C.2)	Charge for a customer requested re-read of meter applicable when the original reading was found not to be in error.

Company Name:  
Arizona Windsong Realty, Inc.

Test Year Ended: 2012

**CURRENT AND PROPOSED SERVICE CHARGES**

CUSTOMER CLASS:  Residential  Commercial  Industrial

Irrigation  All  Other, specify \_\_\_\_\_

SERVICE LINE AND METER INSTALLATION CHARGES	CURRENT CHARGES	PROPOSED CHARGES
5/8" X 3/4" Meter	NA	\$450
3/4" Meter	NA	\$475
1" Meter	NA	\$550
1-1/2" Meter	NA	\$775
2" Meter	NA	\$1375
3" Meter	NA	\$1975
4" Meter	NA	\$3040
6" Meter	NA	\$5635
Establishment	NA	\$30
Reconnection (delinquent)	NA	\$30
After Hours Service Charge	NA	\$35
Meter Test	NA	\$30
Deposit	NA	*
Deposit Interest	NA	*
Re-establishment (within 12 months)	NA	**
NSF Check	NA	\$20
Deferred Payment	NA	1.5%
Meter Re-read	NA	\$15
Late Fee	NA	\$20

\*Per Commission Rule AAC R-14-2-403(B)

\*\*Months off system times the monthly minimum per Commission rule AAC R14-2-403(D).

*Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.*

## UTILITY PLANT IN SERVICE INSTRUCTIONS

### Instructions for Page 13

Begin the computation of utility plant in service by completing the worksheet on page 13 labeled Plant Additions and Retirements by Year. On this worksheet insert the dollar amount of plant additions and retirements for each account by year. Provide all additions and retirements for all years beginning with the Test Year in the prior rate case and ending with the test year used in this application. If there are more than two intervening years, make copies of page 13 to report all intervening years.

### Instructions for Page 14

Upon completion of the above task, please add all additions on page 13 per plant account and enter the total on page 14 (Plant Summary), column B (Total Additions). Similarly, add all retirements by plant account and enter the total on page 14, column C (Total Retirements).

To assist you in the completion of page 14, please refer to the Commission Decision issued in the Company's prior rate case. That Decision established the value for the Original Cost of the plant and accumulated depreciation at the end of the prior test year. It may be necessary to refer to the associated Staff Report for individual account detail relating to the totals listed in the Decision.

Place the original cost of the plant in service per the prior decision in column A (Plant in Service Per Prior Decision).

Complete column D (Test Year End Total), of page 14, for each plant account by adding column A and B and subtracting column C.

The totals calculated by plant must then be copied to page 15 (Utility Plant in Service), in the column titled Original Cost.

### Instructions for Page 15

The Test Year End Totals by plant account on page 14 must be recorded to the Utility Plant in Service worksheet on page 15, in the column titled Original Cost. The second column (Accumulated Depreciation) will include the accumulated depreciation as stated in the Commission's prior Decision plus each year's depreciation expense since the prior Test Year. The third column, Original Cost Less Depreciation is calculated by subtracting Accumulated Depreciation from Original Cost for each account.

**Note: For assistance with any of the above, please contact the Chief of Accounting and Rates at 602-542-0743.**

Company Name:  
Arizona Windsong Reality, Inc.

Test Year Ended: 2012

**Plant Additions and Retirements by Year**

Acct. No.	Description	Year ____		Year ____	
		Additions	Retirements	Additions	Retirements
The values of plant additions and retirements over the life of the Company are unknown.					

*Note: Enter all additions and retirements, by year, from the prior test year through the end of the current test year. Enter the totals for the additions and retirements for all intervening years on page 14, Columns B and C, respectively.*

Company Name: Arizona Windsong Realty, Inc.	Test Year Ended: 2012
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**Plant Summary**

Acct. No.	Description	Plant in Service Per Prior Decision	Total Additions	Total Retirements	Test Year End Total
		<i>Column A</i>	<i>Column B</i>	<i>Column C</i>	<i>Column D*</i>
<p>We are not aware of a prior rate case decision. The values of plant additions and retirements over the life of the Company are unknown.</p>					

**Note:** Please refer to the checklist on page 1 for the required attachments related to this schedule

**\* Column D = Column A + Column B - Column C**

Company Name:  
Arizona Windsong Realty, Inc.

Test Year Ended: 2012

**UTILITY PLANT IN SERVICE**

Acct No.	Description	Original Cost	Accumulated Depreciation	OCLD
		<i>Column A</i>	<i>Column B</i>	<i>Column C**</i>
<p>The original cost of the plant is unknown. For ratemaking purposes it is assumed that the plant is fully depreciated.</p>				

*\* Must be the same as the amount reported on page 20*

*\*\*Column C = Column A - Column B*

Company Name: Arizona Windsong Realty, Inc.	Test Year Ended: 2012
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**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-806189	5 (estimate)	80	1,000	12	NA	

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None.		

**BOOSTER PUMPS**

Horsepower	Quantity

**FIRE HYDRANTS**

Quantity Standard	Quantity Other

**STORAGE TANKS**

Capacity	Quantity
40,000 gallons	1

**PRESSURE TANKS**

Capacity	Quantity
1,000 gallons	1

Company Name:  
Arizona Windsong Realty, Inc.

Test Year Ended: 2012

**WATER COMPANY PLANT DESCRIPTION CONTINUED**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	Unknown	
3		
4		
5		
6		
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 x 3/4	76
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

**For the following three items, please list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

Water Treatment is done manually.

**STRUCTURES:**

The Company owns a shed and a small brick building (used to shelter the pressure tank.)

**OTHER:**

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## WATER USE DATA SHEET

<b>NAME OF COMPANY</b>	
<b>ADEQ Public Water System Number:</b>	

MONTH/YEAR (12 Months of Test Year)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
1.	69	700	Unknown
2.	69	595	Unknown
3.	69	611	Unknown
4.	69	707	Unknown
5.	69	805	Unknown
6.	69	1192	Unknown
7.	69	941	Unknown
8.	69	756	Unknown
9.	69	701	Unknown
10.	69	562	Unknown
11.	69	613	Unknown
12.	69	531	Unknown
<b>TOTAL</b>	<b>N/A</b>	<b>8714</b>	<b>* Unknown**</b>

**Is the water utility located in an ADWR Active Management Area ("AMA")?**

YES     NO

**Does the Company have an ADWR gallons per capita day ("GPCD") requirement?**

YES     NO

**If Yes, please provide the GPCD amount: \_\_\_\_\_**

*Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of any of the above, please contact the Engineering Supervisor at 602-542-7277.*

*\* This number must be equal to the number entered on Page 6, "sold gallons."*

*\*\* Gallons pumped cannot equal or be less than the gallons sold.*

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR**	TEST YEAR
461	Metered Water Revenue	\$ 21,506	\$ 21,506
460	Unmetered Water Revenue	-	-
474	Other Water Revenues	-	-
	<b>TOTAL OPERATING REVENUES</b>	\$ 21,506	\$ 21,506
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages (See page 1, item 4)	\$ -	\$ 40,224
610	Purchased Water (See page 1, item 5)	-	-
615	Purchased Power (See page 1, item 6)	5,375.07	5,375.07
618	Chemicals	663.85	663.85
620	Repairs and Maintenance (See page 1, item 7)	13,337.40	13,337.40
621	Office Supplies and Expense	764.06	764.06
630	Outside Services (See page 1, item 8)	-	-
635	Water Testing (See page 1, item 9)	1,836.00	1,836.00
641	Rents	-	-
650	Transportation Expenses	1,721.27	1,721.27
657	Insurance – General Liability	-	-
659	Insurance – Health and Life	-	-
666	Regulatory Commission Expense – Rate Case	-	-
675	Miscellaneous Expense	-	-
403	Depreciation Expense (From page 20)	-	-
408	Taxes Other Than Income (payroll)	-	3,077.14
408.11	Property Taxes (See page 1, item 10)	642.84	642.84
409	Income Tax	-	-
	<b>TOTAL OPERATING EXPENSES</b>	\$ 24,340	\$ 67,642
	<b>OPERATING INCOME/(LOSS)</b>	\$ (2,835)	\$ (46,136)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	-	-
421	Non-Utility Income	-	-
426	Miscellaneous Non-Utility Expenses	-	-
427	Interest Expense	-	-
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	-	-
	<b>NET INCOME/(LOSS)</b>	\$ (2,835)	\$ (46,136)

*Note: Do not include sales tax in revenue or expense. Please refer to the checklist on page 1 for the required attachments related to this schedule.*

*\* This number must be identical to the number entered on page 6 "total operating revenues."*

**\*\* Numbers were developed for the test year. Other than the pro forma adjustments to Salaries and Wages Expense the prior year income statement is assumed identical to the test year income statement.**

Company Name:  
Arizona Windsong Realty, Inc.

Test Year Ended: 2012

**CALCULATION OF DEPRECIATION EXPENSE**

Acct. No..	Description	Original Cost	Depreciation Percentage	Depreciation Expense
		<i>Column A</i>	<i>Column B</i>	<i>Column C*</i>
<p>The original cost of the plant is unknown. For ratemaking purposes it is assumed that the plant is fully depreciated.</p>				

*Note: Use Test Year ending balances for column 1, and approved depreciation rates from the prior rate case in column 2.*

*\* Column C = Column A x Column B*

Company Name: Arizona Windsong Realty, Inc.	Test Year Ended: 2012
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**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF TEST YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$0	\$0
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	0	0
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$0	\$0
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	Unknown	Unknown *
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant ("AD-UP")	Unknown	Unknown**
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility ("AD-NU")	0	(\$0 )
	<b>TOTAL FIXED ASSETS</b>	Unknown	Unknown
	<b>TOTAL ASSETS</b>	Unknown	Unknown

**Note: Total Assets on this page should equal the sum of Total Liabilities and Total Capital on page 22. Also, numbers in parentheses should be subtracted. For example, Accounts 108 and 122 should be subtracted from Total Fixed Assets.**

**\* Must equal page 15, original cost**

**\*\* Must equal page 15, accumulated depreciation**

**BALANCE SHEET (CONTINUED)**

		BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF TEST YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$-	\$-
232	Notes Payable (Current Portion)	-	-
234	Notes/Accounts Payable to Associated Companies	-	-
235	Customer Deposits	-	-
236	Accrued Taxes	-	-
237	Accrued Interest	-	-
241	Miscellaneous Current and Accrued Liabilities	-	-
	<b>TOTAL CURRENT LIABILITIES</b>	\$	\$
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$-	\$-
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	-	-
252	Advances in Aid of Construction	-	-
255	Accumulated Deferred Investment Tax Credits	-	-
271	Gross Contributions in Aid of Construction	-	-
272	Less: Amortization of Contributions	-	-
281	Accumulated Deferred Income Tax	-	-
	<b>TOTAL DEFERRED CREDITS</b>	\$0	\$0
	<b>TOTAL LIABILITIES</b>	\$	\$
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	-	-
215	Retained Earnings	-	-
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	-	-
	<b>TOTAL LIABILITIES AND CAPITAL</b>	-	-

**Note: Account 272 should be subtracted from Total Deferred Credits.**

**\* Must equal page 24, Total Advances in Aid of Constructions**

**\*\* Must equal page 25, Total Advances**

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt<sup>1</sup>**

	LOAN #1*	LOAN #2*	LOAN #3*	LOAN #4*
The Company has no long term debt.				
Date Issued				
Source of Loan				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Net Proceeds	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principal	\$	\$	\$	\$
<b>Authority Granted By ACC Decision No.</b>				

*A.R.S. 40-301 requires ACC approval of long-term debt. If the Commission has not approved any of the above loans, then please submit an application requesting approval of the above loans.*

Meter Deposit Balance – Test Year	\$- _____
Meter Deposits Refunded During the Test Year	\$- _____

<sup>1</sup>List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed.



Company Name: Arizona Windsong Realty, Inc.	Test Year Ended: 2012
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**GROSS CONTRIBUTIONS IN AID OF CONSTRUCTION (Acct. 271)<sup>3</sup>**

Balance Per Prior Decision	N/A	\$
The company has had no new contributions in recent memory. Historical levels of contributions are unknown.		
Additions Year	\$	
Total Additions	N/A	\$
Balance at Test Year End	N/A	\$ *

*Note: Prior Decision refers to the balances per the prior Staff Report as adjusted per the final Commission Decision.  
 \* Balance at Test Year End = Balance Per Prior Decision + Total Additions (cross reference this to the Balance Sheet on page 22)*

<sup>3</sup> *Contributions in Aid of Construction refers to the following:*  
 (1) *Non-refundable money, services, or property received for use in the provision of utility service from any source that is provided at no cost and interest free.*  
 (2) *Unrefunded balances of expired advance contracts reclassified from Advances in Aid of Construction.*

## BILL COUNT INSTRUCTIONS

A quarterly Bill Count must be provided for each of the meter sizes the Company had in service during the Test Year. If you had more than one meter size in service, reproduce the forms on pages 27 through 31, inclusive, so that you will submit one set of Bill Count forms (i.e. one Bill Count for each quarter and a Bill Count Summary), for each meter size. An item such as a metered standpipe would be considered to be a different size meter, since it may have a different tariff rate than the other size meters.

A Bill Count Summary sheet is provided on page 31. Please note that each bill over 100,000 gallons should be shown separately. The number of bills in each line will be added to produce a total of all bills at the bottom of the page.

The first step in producing the Bill Count is to collect all monthly bills rendered for metered water sales during the 12 months of the Test Year. The collection of bills must include bills to part-time customers and to customers who are no longer on the system, but who were on the system for any part of the Test Year.

Only include bills for water sold during the Test Year. For example, assume that the Test Year runs from January 1<sup>st</sup> to December 31<sup>st</sup> (calendar year) and you normally bill on January 5<sup>th</sup>. The bill sent out at that time would cover December 1<sup>st</sup> through 31<sup>st</sup> usage of the prior year and should not be included. The first billing to be used for the year would be the February 5<sup>th</sup> billing and the last billing to be used would be the billing of January 5<sup>th</sup> of the succeeding year.

Sort the bills by each quarter, by meter size, so that a separate bill count is produced for each three-month period by meter size. On each quarterly Bill Count sheet, place a tally for each bill in the appropriate gallonage range. After tallying each bill, add the tallies in each gallonage range and report the tally totals in the column provided.

*Note: For explanation of any of the above, please contact the Chief of Accounting and Rates at 602-542-0743.*

Company Name: Arizona Windsong Reality, Inc.	Test Year Ended: 2012
Meter Size: 5/8 by 3/4	1 <sup>st</sup> Quarter Ended: March 31, 2012

**BILL COUNT WORKSHEET 1<sup>ST</sup> QUARTER**

<b>GALLONAGE RANGE</b>	<b>NUMBER OF BILLS</b>	<b>TOTAL BILLS FOR 1<sup>ST</sup> QUARTER</b>
- 0 -		31
1 to 1,000		30
1,001 to 2,000		30
2,001 to 3,000		17
3,001 to 4,000		21
4,001 to 5,000		6
5,001 to 6,000		16
6,001 to 7,000		8
7,001 to 8,000		2
8,001 to 9,000		5
9,001 to 10,000		7
10,001 to 12,000		6
12,001 to 14,000		10
14,001 to 16,000		0
16,001 to 18,000		0
18,001 to 20,000		2
20,001 to 25,000		3
25,001 to 30,000		3
30,001 to 35,000		0
35,001 to 40,000		0
40,001 to 50,000		1
50,001 to 60,000		2
60,001 to 70,000		0
70,001 to 80,000		1
80,001 to 90,000		1
90,001 to 100,000		1
104,000		1
144,000		1
145,000		1
166,000		1
<b>Total Bills</b>		<b>207</b>

Company Name: Arizona Windsong Realty, Inc.	Test Year Ended: 2012
Meter Size: 5/8 by 3/4	2 <sup>nd</sup> Quarter Ended: June 30, 2012

**BILL COUNT WORKSHEET 2<sup>ND</sup> QUARTER**

<b>GALLONAGE RANGE</b>	<b>NUMBER OF BILLS</b>	<b>TOTAL BILLS FOR 2<sup>ND</sup> QUARTER</b>
- 0 -		20
1 to 1,000		24
1,001 to 2,000		17
2,001 to 3,000		19
3,001 to 4,000		16
4,001 to 5,000		15
5,001 to 6,000		14
6,001 to 7,000		10
7,001 to 8,000		11
8,001 to 9,000		3
9,001 to 10,000		1
10,001 to 12,000		5
12,001 to 14,000		6
14,001 to 16,000		6
16,001 to 18,000		4
18,001 to 20,000		10
20,001 to 25,000		3
25,001 to 30,000		6
30,001 to 35,000		1
35,001 to 40,000		2
40,001 to 50,000		2
50,001 to 60,000		3
60,001 to 70,000		1
70,001 to 80,000		2
80,001 to 90,000		0
90,001 to 100,000		1
112,000		1
114,000		1
151,000		1
159,000		1
231,000		1
<b>Total Bills</b>		<b>207</b>

Company Name: Arizona Windsong Reality, Inc.	Test Year Ended: 2012
Meter Size: 5/8 by 3/4	3 <sup>rd</sup> Quarter Ended: September 30, 2012

**BILL COUNT WORKSHEET 3<sup>RD</sup> QUARTER**

<b>GALLONAGE RANGE</b>	<b>NUMBER OF BILLS</b>	<b>TOTAL BILLS FOR 3<sup>rd</sup> QUARTER</b>
- 0 -		19
1 to 1,000		18
1,001 to 2,000		21
2,001 to 3,000		15
3,001 to 4,000		16
4,001 to 5,000		18
5,001 to 6,000		5
6,001 to 7,000		12
7,001 to 8,000		5
8,001 to 9,000		7
9,001 to 10,000		8
10,001 to 12,000		7
12,001 to 14,000		12
14,001 to 16,000		6
16,001 to 18,000		6
18,001 to 20,000		3
20,001 to 25,000		8
25,001 to 30,000		8
30,001 to 35,000		2
35,001 to 40,000		0
40,001 to 50,000		2
50,001 to 60,000		3
60,001 to 70,000		2
70,001 to 80,000		1
80,001 to 90,000		0
90,001 to 100,000		0
116,000		1
126,000		1
160,000		1
<b>Total Bills</b>		<b>207</b>

Company Name: Arizona Windsong Realty, Inc.	Test Year Ended: 2012
Meter Size: 5/8 by 3/4	4 <sup>th</sup> Quarter Ended: December 31, 2012

**BILL COUNT WORKSHEET 4<sup>TH</sup> QUARTER**

<b>GALLONAGE RANGE</b>	<b>NUMBER OF BILLS</b>	<b>TOTAL BILLS FOR 4<sup>th</sup> QUARTER</b>
- 0 -		20
1 to 1,000		29
1,001 to 2,000		29
2,001 to 3,000		22
3,001 to 4,000		19
4,001 to 5,000		22
5,001 to 6,000		12
6,001 to 7,000		8
7,001 to 8,000		6
8,001 to 9,000		10
9,001 to 10,000		3
10,001 to 12,000		5
12,001 to 14,000		2
14,001 to 16,000		2
16,001 to 18,000		1
18,001 to 20,000		5
20,001 to 25,000		3
25,001 to 30,000		1
30,001 to 35,000		0
35,001 to 40,000		1
40,001 to 50,000		1
50,001 to 60,000		0
60,001 to 70,000		1
70,001 to 80,000		1
80,001 to 90,000		0
90,001 to 100,000		0
110,000		1
122,000		1
136,000		1
156,000		1
<b>Total Bills</b>		<b>207</b>

Company Name: Arizona Windsong Realty, Inc.	Test Year Ended: 2012
Meter Size: 5/8 by 3/4	

### BILL COUNT SUMMARY

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
- 0 -	31	20	19	20	90
1 to 1,000	30	24	18	29	101
1,001 to 2,000	30	17	21	29	97
2,001 to 3,000	17	19	15	22	73
3,001 to 4,000	21	16	16	19	72
4,001 to 5,000	6	15	18	22	61
5,001 to 6,000	16	14	5	12	47
6,001 to 7,000	8	10	12	8	38
7,001 to 8,000	2	11	5	6	24
8,001 to 9,000	5	3	7	10	25
9,001 to 10,000	7	1	8	3	19
10,001 to 12,000	6	5	7	5	23
12,001 to 14,000	10	6	12	2	30
14,001 to 16,000	0	6	6	2	14
16,001 to 18,000	0	4	6	1	11
18,001 to 20,000	2	10	3	5	20
20,001 to 25,000	3	3	8	3	17
25,001 to 30,000	3	6	8	1	18
30,001 to 35,000	0	1	2	0	3
35,001 to 40,000	0	2	0	1	3
40,001 to 50,000	1	2	2	1	6
50,001 to 60,000	2	3	3	0	8
60,001 to 70,000	0	1	2	1	4
70,001 to 80,000	1	2	1	1	5
80,001 to 90,000	1	0	0	0	1
90,001 to 100,000	1	1	0	0	2
Over 100,000	4	5	3	4	16
<b>Total Bills</b>	<b>207</b>	<b>207</b>	<b>207</b>	<b>207</b>	<b>828</b>

## CUSTOMER NOTIFICATION

Arizona Windsong Realty, Inc. ("Windsong") has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since at least 1971. An increase in rates is necessary at this time due to repair costs, the need to hire a Certified Operator and the need to replace infrastructure. Based on the Company's un-audited Test Year results, Windsong realized an operating loss of \$2,835. The Company is requesting a revenue increase of \$55,873 or 260% 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 offices of the Commission in Phoenix at 1200 West Washington Street (for Tucson, call 800-535-0148 if located outside the Tucson local calling area or 520-628-6555 if inside the Tucson local calling area) and at *[name of Company and address]*. The application is also available through the Commission's online eDocket system at: <http://edocket.azcc.gov/> 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, including service, billing procedures or other factors important in determining the reasonableness 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 (if located outside the Phoenix local calling area) or 602-542-4251 in the Phoenix local calling area. Customers may also contact the Tucson Commission office by calling 800-535-0148 (if located outside the Tucson local calling area) or 520-628-6555 in the Tucson local 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.