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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)	Docket No. 06-540-T01
Lakeview Water Corporation for)	
Approval of It's Proposed Water Rate)	APPLICATION TO APPROVE
Schedules and Water Service Regulations)	PROPOSED WATER SERVICE
)	SCHEDULES AND RATES

Lakeview Water Corporation (“Lakeview” or “Company”), hereby applies to the Utah Public Service Commission (“Commission”), pursuant to Utah Code Annotated §54-7-12, for an order approving its proposed water service schedules and water service regulations attached hereto as Exhibits A and B (“Application”). Lakeview specifically represents as follows:

1. Lakeview is a public utility in the state of Utah and is subject to the Commission’s jurisdiction with respect to its prices and terms of water service to customers within its service territory in Utah. Lakeview provides treated water to 50 residential customers, 1 multiple family dwelling (76 residential units) and 5 businesses customers. Its principal place of business is located at 932 Lakeview Drive, Huntsville, Utah, 84317. This Application is for a tariff to increase rates.

2. Correspondence or communications pertaining to this filing should be directed to:

J. Craig Smith
SMITH, HARTVIGSEN PLLC
215 South State Street, Suite 650
Salt Lake City, Utah 84111
Telephone: (801) 413-1600
Facsimile: (801) 413-1620

and,

Ronald J. Catanzaro
Lakeview Water Corporation
932 Lakeview Drive
Huntsville, Utah 84317
Telephone: (801) 745-3004
Facsimile: (801) 745-3131

3. Lakeview's proposed water service schedules, which are filed herewith, effect an increase in prices for tariff customers of approximately \$88,239 (\$52,239 operating income plus \$36,000 Contribution in Aid of Construction ("CIAC"), see Exhibit D attached hereto.) These proposed rate changes are outlined in the Exhibits A and B hereto and identified as Water Service Regulations 9 and 11. This Application is accompanied by the necessary information and schedules in accordance with §54-7-12(2) to support a determination by the Commission that the proposed rate increase is just and reasonable. A list of exhibits and schedules is attached hereto.

4. Lakeview has not increased its water rates in 20 years or since 1986.

5. Calendar year 2005 constitutes a reasonable test year for purposes of setting rates. Lakeview's revenue requirement calculation includes known and measurable test year adjustments consistent with R746-407 of the Commission's Rules of Practice and Procedure concerning annualization of test-year data.

6. Lakeview's test year revenues fell short of its revenue requirement producing a revenue requirement deficiency of \$132,800 (see Exhibit C attached hereto.) Even with the increase

in revenues from the proposed tariff, it is estimated that Lakeview will continue to incur a revenue deficiency of \$75,672 (see Exhibit D attached hereto.)

7. The following rate increase is necessary, fair and reasonable:

Current Rates		Proposed Rates	
Water Usage Rates			
Base Rate -0- to 12,000 gallons	\$16.00 min. fee	Base Rate -0- to 12,000 gallons	\$36.00 min. fee
Tier 1 12,001 to 15,000 gallons	\$1.50 per 1,000 gallons	Tier 1 12,001 to 20,000 gallons	3.25 per 1,000 gallons
Tier 2 15,001 to 25,000	\$1.75 per 1,000 gallons	Tier 2 20,001 to 40,000	\$3.75 per 1,000 gallons
Tier 3 25,001 or more	\$2.25 per 1,000 gallons	Tier 3 40,001 to 60,000	\$4.25 per 1,000 gallons
		Tier 4 60,001 to 80,000	\$5.50 per 1,000 gallons
		Tier 5 80,000 or more	\$7.00 per 1,000 gallons
Connection Fees			
Single Family Dwelling Unit (Developments) ¾ inch	\$1,000	Single Family Dwelling Unit (Developments) ¾ inch	\$3,500
Other Single Family Dwelling Unit ¾ inch	\$1,500	Other Single Family Dwelling Unit and Single Business Connections ¾ inch	\$4,000
Multiple Family Dwellings	\$1,000	Multiple Family Dwellings	\$2,000
Stand-By Fee			
Single Connection	\$5.00	Single Connection	\$10.00

See specifically the schedules contained in Water Service Regulations 9 and 11 attached hereto as Exhibits A and B.

8. In accordance with R746-332-1(C) of the Commission's Rules of Practice and Procedure concerning depreciation rates for water utilities, which states, "Effective with each utility's next general rate case, each water utility operating in Utah shall not depreciate utility plant faster than allowed by the following rates,..." Lakeview hereby adopts the depreciation rates as outlined therein. The adopted depreciation rates were applied to Lakeview's test year assets as shown in Exhibit E attached hereto.

9. All other Water Service Regulations for this Company, Regulations 1 through 8, 10, 12 through 14, have not been changed and remain in full force and effect.

10. The proposed tariff sheets do not constitute a violation of state law or Commission Rule.

11. Due to the good cause shown in this application and the Exhibits hereto, Lakeview respectfully requests that the attached tariff sheets become effective before the end of the 30 day notice period on January 1, 2007.

WHEREFORE, Lakeview respectfully requests that the Utah Public Service Commission:

1. Enter an order authorizing Lakeview Water Corporation to implement the proposed rate changes, as outlined in the proposed tariffs, to reflect both the increased costs of building infrastructure and facilities to provide water to existing and new connections in the service area and the increased ongoing operational costs incurred; and
2. Enter an order authorizing Lakeview Water Corporation to implement the adjusted Rates, Rules and Regulations effective January 1, 2007.

DATED this ____ day of December, 2006

Respectfully submitted,
SMITH HARTVIGSEN

J. Craig Smith
Attorney for
Lakeview Water Corporation

LIST OF EXHIBITS

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|-----------|------------------------------------------------------------------------------------|
| EXHIBIT A | Water Service Regulation No. 9 – Residential and Small Business Service (Proposed) |
| EXHIBIT B | Water Service Regulation No. 11 – Connection Fee and Maintenance (Proposed) |
| EXHIBIT C | Revenue Requirement Calculation |
| EXHIBIT D | Schedule of Revenue Sources |
| EXHIBIT E | Revised Depreciation Schedules |