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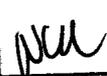
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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER
Chairman
WILLIAM MUNDELL
Commissioner
MARC SPITZER
Commissioner
MIKE GLEASON
Commissioner
KRISTIN K. MAYES
Commissioner

Arizona Corporation Commission
DOCKETED

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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF BLACK MOUNTAIN SEWER CORPORATION, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO: SW-02361A-05-06-07
NOTICE OF ERRATA

On August 21, 2006 Black Mountain Sewer Corporation ("Black Mountain") filed its closing brief, with the final schedules of Thomas J. Bourassa attached as Brief Exhibit 1. Black Mountain hereby submits a more reader-friendly version of Final Schedule A-1, which is attached to this Notice of Errata as Exhibit A and should replace the Final Schedule A-1 that was filed on August 21, 2006.

DATED this 1st day of September, 2006.

FENNEMORE CRAIG, P.C.

By _____
Jay L. Shapiro
Patrick Black
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
Attorneys for Black Mountain Sewer Corporation.

1 ORIGINAL and thirteen (13) copies of the
2 foregoing were delivered
3 this 1st day of September, 2006, to:

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

5 COPIES hand delivered this 1st
6 day of September, 2006 to:

7 Dwight D. Nodes
8 Administrative Law Judge
9 Arizona Corporation Commission
10 1200 W. Washington St.
11 Phoenix, AZ 85007

10 Keith Layton
11 Staff Counsel
12 Legal Division
13 Arizona Corporation Commission
14 1200 W. Washington St.
15 Phoenix, AZ 85007

13 Daniel Pozefsky, Esq.
14 Residential Utility Consumer Office
15 1110 W. Washington, Suite 220
16 Phoenix, AZ 85007

16 And a copy mailed this 1st
17 day of September, 2006 to:

17 Boulders Homeowners Association
18 Robert E. Williams
19 P. O. Box 2037
20 Carefree, AZ 85377

20 M. M. Shirtzinger
21 34773 N. Indian Camp Trail
22 Scottsdale, AZ 85262

22 Thomas K. Chenal, Esq.
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25 7047 E. Greenway Parkway, Suite 155
26 Scottsdale, AZ 85254

25 By: Mario San Jose
26 1831042.1/16040.031

Exhibit A

Black Mountain Sewer Company
 Test Year Ended December 31, 2004
 Computation of Increase in Gross Revenue
 Requirements As Adjusted

Exhibit
Final Schedule A-1
 Page 1
 Witness: Bourassa

Line
No.

1	Fair Value Rate Base	\$	1,568,502
2			
3	Adjusted Operating Income		11,595
4			
5	Current Rate of Return		0.74%
6			
7	Required Operating Income	\$	172,535
8			
9	Required Rate of Return on Fair Value Rate Base		11.00%
10			
11	Operating Income Deficiency	\$	160,940
12			
13	Gross Revenue Conversion Factor		1.5911
14			
15	Increase in Gross Revenue Requirement	\$	256,065
16			
17			
18	% Increase		21.24%
19			

20 Customer	Present	Proposed	Dollar	Percent
21 Classification	Rates	Rates	Increase	Increase
22 (Residential Commercial, Irrigation)				
23				
24 Residential	\$ 768,816	\$ 933,504	\$ 164,688	21.42%
25 Commercial (Standard Rate)	312,725	379,720	66,995	21.42%
26 Commercial (Special Rate)	81,967	99,528	17,561	21.43%
27 Effluent Sales	14,498	17,604	3,106	21.42%
28				
29 Annualization	17,328	21,040	3,712	21.42%
30 Book to Bill Count Difference	(4,066)	(4,066)	-	0.00%
31 ACC Assessment	(2,288)	(2,288)	-	0.00%
32 Subtotal	\$ 1,188,980	\$ 1,445,043	\$ 256,063	21.54%
33				
34 Other Wastewater Revenues	16,472	16,472	-	0.00%
35			-	0.00%
36			-	0.00%
37 Total of Water Revenues	\$ 1,205,452	\$ 1,461,515	\$ 256,063	21.24%

38
 39 Book to Bill Count Difference

40
 41
 42
 43
 44 **SUPPORTING SCHEDULES:**
 45 Final B-1
 46 Final C-1
 47 Final C-3
 48 Final H-1
 49