



RECEIVED

1 FENNEMORE CRAIG, P.C.  
 Jay L. Shapiro  
 2 Patrick J. Black  
 3003 N. Central Ave.  
 3 Suite 2600  
 Phoenix, Arizona 85012  
 4 Attorneys for Black Mountain Sewer Corporation

2006 DEC 14 P 4: 26

AZ CORP COMMISSION  
DOCUMENT CONTROL

**BEFORE THE ARIZONA CORPORATION 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-05-0657

**NOTICE OF FILING**

At the request of the Arizona Corporation Commission Staff ("Staff"), Black Mountain Sewer Corporation ("BMSC"), an Arizona corporation, hereby files its notice to customers regarding the revised schedule of rates and charges and the issuing of refund checks (attached hereto as Exhibit 1). In accordance with Decision No. 69164 (December 5, 2006), on December 13, 2006 BMSC mailed to all customers this notice, the form of which was previously approved by Staff.

Arizona Corporation Commission  
**DOCKETED**

DEC 14 2006

DOCKETED BY	NR
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DATED this 14th day of December, 2006.

FENNEMORE CRAIG, P.C.

By



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

ORIGINAL and thirteen (13) copies of the  
foregoing were delivered  
this 14th day of December, 2006 to:

Docket Control  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

COPIES hand delivered  
this 14th day of December, 2006 to:

Dwight D. Nodes  
Assistant Chief Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

Keith Layton  
Staff Counsel  
Legal Division  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

Daniel Pozefsky, Attorney  
Residential Utility Consumer Office  
1110 W. Washington, Suite 220  
Phoenix, AZ 85007

1 Brian Bozzo  
Utilities Division  
2 Arizona Corporation Commission  
1200 W. Washington St.  
3 Phoenix, AZ 85007

4 And COPY e-mailed  
this 14th day of December, 2006 to:

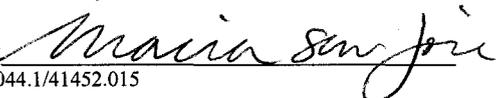
5 Vicki Wallace  
6 Utilities Division  
Arizona Corporation Commission  
7 1200 W. Washington St.  
Phoenix, AZ 85007

8 And COPIES mailed  
9 this 14th day of December, 2006 to:

10 Boulders Homeowners Association  
Mr. Robert E. Williams  
11 P. O. Box 2037  
Carefree, AZ 85377

12 M. M. Shirtzinger  
13 34773 N. Indian Camp Trail  
Scottsdale, AZ 85262

14 Thomas K. Chenal, Esq.  
15 David Garbarino, Esq.  
Mohr, Hackett, Pederson, Blakley & Randolph  
16 7047 E. Greenway Parkway, Suite 155  
Scottsdale, AZ 85254

17 By:   
18 1866044.1/41452.015

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# **EXHIBIT**

**1**

## **BLACK MOUNTAIN SEWER CORPORATION**

# **INCREASE IN YOUR SEWER RATES**

## **IMPORTANT NOTICE**

On September 16, 2005, Black Mountain Sewer Corporation ("BMSC") filed an application for a 21.54 percent rate increase with the Arizona Corporation Commission ("Commission"). BMSC requested the increase to cover increased costs in provision of service and in the addition/replacement of its wastewater infrastructure. The proposed rates were thoroughly audited by Commission Staff, and a public comment session and evidentiary hearings were held. After considering all the evidence presented, the Commission issued Decision No. 69164 ("Order") on December 5, 2006, authorizing a 20.1% rate increase effective upon the issuance of refund checks to customers associated with hook-up fees.

### **REFUND ORDERED**

In its Order, the Commission determined that customers should be refunded for funds associated with the collection of hook-up fees. Therefore, a **REFUND CHECK** in the amount of \$412.15 is enclosed with this notice unless the customer account is delinquent by 60 days or more, in which case, the amount due has been deducted from the refund amount.

### **ODOR ISSUES ADDRESSED**

The Commission also determined that odor problems existed on BMSC's system, and that the steps taken by the Company to date had not been sufficient to resolve the problems. Thus, the Commission ordered BMSC to pursue one of the remedies proposed by the Town of Carefree in order to mitigate the odor problems that currently existed in the Boulder's Community. The Commission also ordered that implementation of the chosen remedy should be completed within 180 days,

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## **NEW RATES**

The minimum monthly charge for residential customers will increase from the current rate of \$38.00 to \$45.64. The regular commercial rate will increase from the current rate of \$0.15236 to \$0.18298. In addition, the monthly rate for the fourteen special commercial customers will be increased by the amount indicated in "Commercial - Special Rates". The new rates and charges are as follows:

**BLACK MOUNTAIN SEWER CORPORATION****IMPORTANT NOTICE****PAGE 2**

<b>Residential Service - Per Month</b>	\$45.64
<b>Commercial - Regular (c)</b>	\$0.18298

<b>Commercial - Special Rates</b>	<b>Gallons Per Day</b>	<b>Rate Per Day</b>	<b>Monthly Charge</b>
Name of Business			
BH Enterprises - West	2,525	\$0.14034	\$354.35
BH Enterprises - East	1,400	\$0.14034	\$196.47
Barb's Pet Grooming	250	\$0.14034	\$35.08
Boulders Resort	29,345	\$0.14223	\$4,173.87
Carefree Dental	1,625	\$0.14034	\$228.05
Ridgecrest Realty	450	\$0.14193	\$63.87
Desert Forest	7,000	\$0.16344	\$1,144.11
Desert Hills Pharmacy	800	\$0.17061	\$136.49
El Pedregal	15,787	\$0.14034	\$2,215.50
Lemon Tree	300	\$0.13691	\$41.07
Body Shop	1,000	\$0.17467	\$174.67
Spanish Village	4,985	\$0.14034	\$699.58
Boulders Club	1,200	\$0.14034	\$168.40
Anthony Vuitaggio	300	\$0.15597	\$46.79

**Effluent Sales**

Per thousand gallons	\$0.374400
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**Service Charges**

Establishment	\$25.00
Re-establishment	\$25.00
Re-connection	No Charge
Minimum Deposit (Residential)	(a)
Minimum Deposit (Non-Residential)	(a)
Deposit Interest	(a)
NSF Check Charge	\$10.00
Deferred Payment Finance Charge	1.50%
Late Charge	1.50%
Main Extension Tariff (b)	Cost
Hook-up Fee for New Service	Discontinue

**BLACK MOUNTAIN SEWER CORPORATION**  
**IMPORTANT NOTICE**  
**PAGE 3**

- (a) Per A.A.C. R14-2-603B; Residential – two times average bill, Non-residential – two and one-half times average bill;
- (b) Per A.A.C. R14-2-406(B);
- (c) Per Gallon per Day. Wastewater flows are based on Engineering Bulletin 12, Table 1 for purposes of determining a monthly charge for individual customers on this rate.

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**BILLING ADJUSTMENTS**

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