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5 Phoenix, Arizona 85012
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2010 MAY 12 P 4: 43

ARIZONA CORP COMMISSION
DOCKET CONTROL

Attorneys for Payson Water Company

BEFORE THE ARIZONA CORPORATION COMMISSION

8 IN THE MATTER OF THE APPLICATION
9 OF PAYSON WATER COMPANY FOR
10 APPROVAL OF A WATER
11 AUGMENTATION SURCHARGE TARIFF
12 (MESA DEL CABALLO SYSTEM)

DOCKET NO: W-03514A-10-0116

13 IN THE MATTER OF THE NOTICE OF
14 FILING OF PAYSON WATER COMPANY'S
15 PROPOSED CHANGES TO ITS
16 CURTAILMENT TARIFF (MESA DEL
17 CABALLO SYSTEM)

DOCKET NO: W-03514A-10-0117

**NOTICE OF FILING
CERTIFICATION OF PUBLICATION
AND PROOF OF MAILING**

16 Pursuant to the Procedural Order dated April 22, 2010, Payson Water Company, an
17 Arizona public service corporation ("Payson Water"), hereby submits this Notice of Filing
18 Certification of Publication and Proof of Mailing in the above-captioned matter.

19 On April 30, 2010, notice regarding the hearing set for May 18, 2010 was
20 published in the *Payson Roundup*. The affidavit of Paula VanBuskirk, Assistant
21 Bookkeeper of the *Payson Roundup*, is attached as **Exhibit A**.

22 On May 3, 2010, Payson Water mailed to notification to customers. The affidavit
23 of Robert T. Hardcastle is attached as **Exhibit B**.

Arizona Corporation Commission
DOCKETED

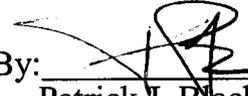
MAY 12 2010

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RESPECTFULLY SUBMITTED this 12 day of May, 2010.

FENNEMORE CRAIG, P.C.

By: 
Patrick J. Black
Attorneys for Payson Water Company

ORIGINAL and 15 copies filed
this 12 day of May, 2010, with:

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

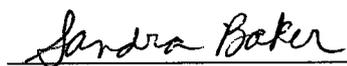
COPY hand-delivered
this 12 day of May, 2010, to:

Marc E. Stern, ALJ
Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Kimberly Ruht, Esq.
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

COPY mailed
this 12 day of May, 2010, to:

Mesa Del Water Committee
c/o El Caballo Club, Inc.
8119 Mescalero
Payson, Arizona 85541

By: 

2313654.1/73283.004

EXHIBIT

A

Affidavit of Publication

Payson Roundup

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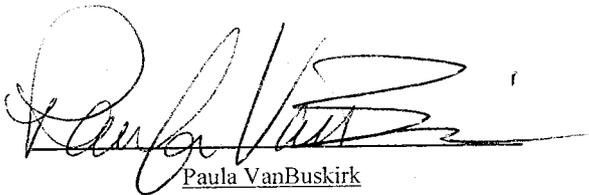
STATE OF ARIZONA

4/30/2010

COUNTY OF GILA

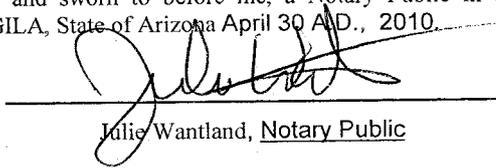
13015

I, Paula VanBuskirk, do solemnly swear that I am Assistant Bookkeeper of the Payson Roundup, that the same is a newspaper printed, in whole or in part, and published in the COUNTY OF GILA, State of Arizona, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said COUNTY OF GILA for a period of more than fifty-two weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Arizona. That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said daily newspaper for the period of 1 consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated April 30 A.D., 2010, and that the last publication of said notice was in the issue of said newspaper dated April 30 A.D., 2010. In witness whereof I have hereunto set my hand this April 30 A.D., 2010.



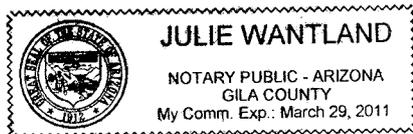
Paula VanBuskirk

Subscribed and sworn to before me, a Notary Public in and for the COUNTY OF GILA, State of Arizona April 30 A.D., 2010.



Julie Wantland, Notary Public

My commission expires March 29, 2011.



13015: 04/30/2010
 PUBLIC NOTICE OF APPLICATIONS
 BY PAYSON WATER COMPANY
 Mesa del Caballo System
 DOCKET NOS
 W-03514A-10-0116 Water Augmentation Surcharge Tariff
 and W-03514A-10-0117 Curtailment Tariff (consolidated)
 Summary

On March 31, 2010, Payson Water Company ("PWC" or "Company") filed with the Arizona Corporation Commission ("Commission") an

application for the emergency implementation of a water augmentation surcharge for customers served by its Mesa del Caballo ("MDC") water system due to potential water shortages during the summer season. Concurrently, the Company also filed an application for proposed changes to its Curtailment Tariff for its MDC System which contains specific requirements as to when water augmentation will be necessary.

Proposed Water Augmentation Surcharge

The Company has proposed a water augmentation surcharge intended to collect costs for water augmentations made during the previous month. Each charge will be determined by taking the total monthly cost, and pro-rating the surcharge to each specific customer (currently 375) based on that customer's total consumption for the month in which water augmentation is necessary. As currently proposed, those customers

who use more water will pay a larger proportionate share of water augmentation costs than those customers who use less water. Under the Company's proposed revisions to its Curtailment Tariff, water augmentation activity is triggered when the MDC system reaches Stage 3, 4 or 5 conditions for water supply.

If you have any questions about these applications, you may contact the Company at Robert Hardcastle, c/o Brooke Utilities, P.O. Box 82218, Bakersfield, California 93380.

The Commission's Utilities Division Staff has not yet made a recommendation regarding the Company's surcharge request and proposed changes to its curtailment Tariff, and the Commission will determine the appropriate relief to be granted based on the evidence of record in this proceeding. The Commission is not bound by the proposals made by the Company, Staff, or any intervenors and

therefore, the relief granted may differ from the proposed surcharge described above.

How You Can View Or Obtain a Copy of the Financing Applications
 Copies of the applications are available from the PWC by contacting its Call Center at (800) 270-6084 and providing your mailing address and/or email address, and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission
 Public Hearing Information

The Commission will hold a hearing on this matter beginning on May 18, 2010 at 10:00 a.m., or as soon thereafter as practicable, at the Commission's offices, 1200 West Washington Street, Room 100, Phoenix, Arizona 85007. Public comments will be taken at the beginning of the hearing. Written public comments may also be submitted by mailing a letter referencing Docket Nos.

W-03514A-10-0116 and W-03514A-10-0117 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, Arizona 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to <http://www.azcc.gov/divisions/utilities/forms/publiccomment.pdf>.

If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission no later than May 14, 2010, and send a copy of the motion to PWC or its counsel and to all parties of record. Your motion to intervene must contain the following:

1. The name, address and telephone number of the proposed intervenor and of any person upon whom service of documents is to be made if different than the intervenor;
2. A short statement of the proposed intervenor's interest in the proceeding; and
3. A statement certifying that a copy of the Motion to Intervene has been mailed to PWC or its counsel and to all parties of record in the case.

The granting of Motions to Intervene shall be governed by A.A.C. R14-3-105, except that all Motions to Intervene must be filed on, or before, May 14, 2010. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.

The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the applications or from filing written comments in the record of the case.

ADA/Equal Access Information
 The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail sbernal@azcc.gov, voice phone number (602) 542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

EXHIBIT

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AFFIDAVIT OF ROBERT T. HARDCASTLE

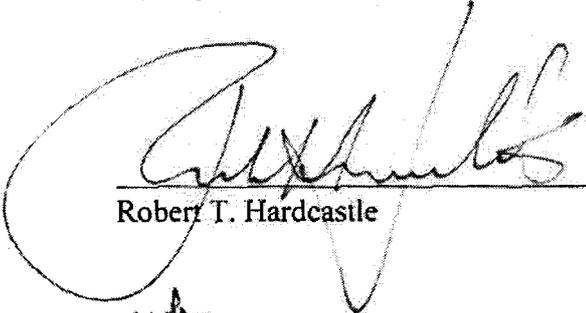
Robert T. Hardcastle, being duly sworn, deposes and says:

1. I am a resident of Kern County, California, over 18 years of age. and make this affidavit based on my own personal knowledge.

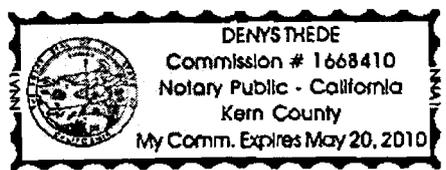
2. I am Executive Officer and President of Brooke Utilities, Inc., the sole shareholder of Payson Water Company ("Payson Water").

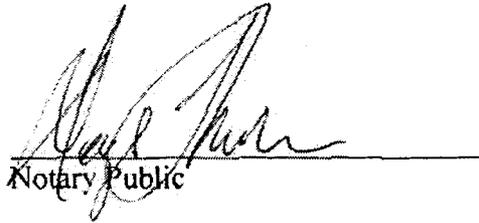
3. Pursuant to the Procedural Order ("Order") dated April 22, 2010, on May 3, 2010 Payson Water mailed to each customer of its Mesa Del Caballo System notice regarding the May 18, 2010 hearing on the Application for Approval of Water Augmentation Surcharge Tariff, filed March 31, 2010, and the Notice of Filing Proposed Changes to Curtailment Tariff, filed March 31, 2010. A copy of the notice is attached hereto as Exhibit 1.

4. In further accordance with the Order, Payson Water submits this Affidavit of Mailing.


Robert T. Hardcastle

SUBSCRIBED and sworn to before me this 11th day of May, 2010.




Notary Public

My Commission Expires:
May 20 2010
2312939/73283.004

EXHIBIT

1

PUBLIC NOTICE OF APPLICATIONS
BY PAYSON WATER COMPANY Mesa del Caballo System
DOCKET NOS. W-03514A-10-0116 Water Augmentation Surcharge Tariff
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