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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION
OF ARIZONA WATER COMPANY, AN
ARIZONA CORPORATION, FOR
AUTHORITY TO IMPLEMENT AN
ARSENIC COST RECOVERY
MECHANISM SURCHARGE FOR ITS
VERDE VALLEY SYSTEM

Docket No. W01445A-08-0440

**ARIZONA WATER COMPANY'S
AMENDMENT TO ITS APPLICATION FOR
AUTHORITY TO IMPLEMENT ARSENIC
COST RECOVERY MECHANISM**

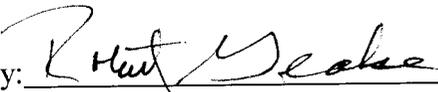
On October 12, 2010, Arizona Water Company ("the Company") filed this application to implement certain surcharges for its Verde Valley systems, which are part of its Northern Group, pursuant to the provisions of Decision No. 71845 (August 25, 2010). Attachment 1 to the October 12 filing included tables (Schedule 5, page 1, lines 28-45) which shows the proposed Step-1 surcharge.

Subsequent to the October 12 filing date, the Company realized that the tables on Schedule 5, page 1, lines 28-45 did not show the surcharge.

The Company is now amending its October 12 application by filing, as Attachment 1 hereto, a revised Schedule 5 (Revenue Requirement) showing the proposed surcharges.

1 RESPECTFULLY SUBMITTED this 19th day of October, 2010.

2
3 ARIZONA WATER COMPANY

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5 By: 

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7 Vice President and General Counsel
8 ARIZONA WATER COMPANY
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1 An original and 13 copies of the foregoing were delivered this 19th day of October, 2010, to:

2 Docketing Supervisor
3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, AZ 85007

7 A copy of the foregoing was mailed this 19th day of October, 2010, to:

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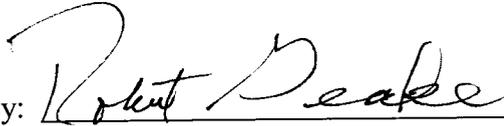
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ATTACHMENT 1

Line No.		[A]	[B]	[C]	[D]
1	Asenic Compliance Revenue Requirement:	VERDE VALLEY			
2					
3	Test Year Data:				
4	Asenic Plant in Service (Sch. 8, p. 1)	\$ 574,585			
5	Accumulated Depreciation	7.87%			
6	Asenic Rate Base	\$ 574,585			
7	Required Rate of Return (Dec. No. 71845)	45,220			
8	Required Operating Income	1,62860			
9	Gross Revenue Conversion Factor (Dec. No. 71845)	\$ 73,645			
10	Revenue Required - Return on Arsenic Treatment Plant	\$ 16,430			
11	Depreciation on Arsenic Treatment Plant (Sch. 8, p. 1)				
12	Revenue Required - Capital Costs (Ln. 11 + Ln. 12 + Ln. 13)	\$ 90,075			
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28	Minimum 5/8" x 3/4"				
29	Commodity (per M Gallon)				
30	0-3,000 Gallons	\$ 1,5317	\$ 0.0418	\$ -	\$ 1,5735
31	3,001 - 10,000 Gallons	\$ 1,9147	\$ 0.0418	\$ -	\$ 1,9565
32	Over 10,000 Gallons	\$ 2,3910	\$ 0.0418	\$ -	\$ 2,4328
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41	Minimum 5/8" x 3/4"				
42	Commodity (per M Gallon)				
43	0-3,000 Gallons	\$ 3,3891	\$ -	\$ -	\$ 3,3891
44	3,001 - 10,000 Gallons	\$ 4,2361	\$ -	\$ -	\$ 4,2361
45	Over 10,000 Gallons	\$ 5,2954	\$ -	\$ -	\$ 5,2954
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VERDE VALLEY (SEDONA)				
Current Rates Dec No. 71845	Proposed ACRM Step-1 Surcharge Capital & Recurring	Proposed ACRM Step-2 Surcharge Deferred O&M	Total Proposed (A + B + C)	
\$ 23.10	\$ 0.28	\$ -	\$ 23.38	
\$ 1,5317	\$ 0.0418	\$ -	\$ 1,5735	
\$ 1,9147	\$ 0.0418	\$ -	\$ 1,9565	
\$ 2,3910	\$ 0.0418	\$ -	\$ 2,4328	

VERDE VALLEY (PINWOOD/RIMROCK)				
Current Rates Dec No. 71845	Proposed ACRM Step-1 Surcharge Capital & Recurring	Proposed ACRM Step-2 Surcharge Deferred O&M	Total Proposed (A + B + C)	
\$ 23.10	\$ 0.28	\$ -	\$ 23.38	
\$ 3,3891	\$ -	\$ -	\$ 3,3891	
\$ 4,2361	\$ -	\$ -	\$ 4,2361	
\$ 5,2954	\$ -	\$ -	\$ 5,2954	