

HEARING DIVISION PROPOSED AMENDMENT # 1

ORIGINAL

TIME/DATE PREPARED: January 28, 2011/1:30 p.m.



0000122282

COMPANY: Sahuarita Water Company, LLC

AGENDA ITEM NO.: U-11

DOCKET NO.: W-03718A-09-0359

OPEN MEETING DATE: February 1 & 2, 2011

Page 27, line 5:

INSERT "and based on the record in this docket," after "under the NARUC USOA,"

Page 27, lines 6-8:

DELETE the two sentences commencing "To be consistent . . . ."

Page 40, lines 18-19:

DELETE the two sentences commencing with "The parties are . . . ."

INSERT: "At the time of the hearing, the parties were in agreement over every condition, except for Condition No. 8.<sup>89</sup> Staff recommended the following for Condition No. 8.<sup>90</sup>"

Page 41, lines 19-22

DELETE Paragraph.

INSERT "In Staff's Clarifications/Exceptions to the Recommended Opinion and Order filed on January 27, 2011, Staff explained that it proposed its original recommendations based on its understanding at that time of how CAGR D would assess and invoice for its fees. Staff states that subsequently, it learned that CAGR D determines its fee based on the excess groundwater withdrawn in the service area and invoices its customers on approximately August 16<sup>th</sup> of each year. With this new knowledge, Staff recommends that Condition Nos. 6, 7 and 8 be modified as follows:

- 6. The CAGR D adjustor fees shall be calculated as follows: The total CAGR D fees paid by the Company for the most current year in the Tucson Active Management Area (AMA) shall be divided by the gallons sold by the Company in that year to determine a CAGR D adjustor fee per 1,000 gallons.

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7. By August 25<sup>th</sup> of each year, beginning in 2011, the Company shall submit for Commission consideration its proposed CAGR D adjustor fee for the Tucson AMA along with the calculations and documentation from the relevant state agencies to support the data used in the calculations. Failure to provide such documentation to Staff shall result in the immediate cessation of the CAGR D adjustor fee. Commission-approved fees shall become effective on the following October 1<sup>st</sup>.
8. If the CAGR D changes its current method of assessing fees to some other method, such as, but not limited to, future projection, water usage, or total water allocated to the Company, the Company's collection from customers of CAGR D fees shall cease.

Staff's proposed changes to Conditions Nos. 6, 7 and 8 address both the issues of how the CAGR D fee is calculated and the timing of when the Company must provide the information to the Commission for review and approval. Staff states that its proposed changes make SWC's CAGR D Adjustor consistent with the one recently approved for Johnson Utilities (Docket No. WS-02987A-08-0180).

We adopt the CAGR D Adjustor as modified by Staff's revised Conditions Nos. 6, 7 and 8. These conditions were approved for Johnson Utilities, and we believe that because this is a new type of adjustor, standardization among utilities is in the public interest."

Page 42, line 14

INSERT after "Staff's recommendations"

"except we will extend the time to comply with the potential obligation to submit a replacement for BMP 7.8 because there is no assurance that ADWR will act on SWC's BMP's"

Page 44, line 18

DELETE "June 30, 2011"  
 INSERT "October 1, 2011"

Page 44, line 19

DELETE "September 30, 2011"  
 INSERT "January 1, 2012"

<b>THIS AMENDMENT:</b>		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____

Page 45, lines 17-18

DELETE "June 30, 2011"  
INSERT "October 1, 2011"

DELETE "September 30, 2011"  
INSERT "January 1, 2012"

<b>THIS AMENDMENT:</b>		
_____ Passed	_____ Passed as amended by	_____
_____ Failed	_____ Not Offered	_____ Withdrawn