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ARIZONA CORPORATION COMMISSION

ORIGINAL

May 27, 2011

Arizona Corporation Commission

DOCKETED

MAY 27 2011

Mayor John Salem
Kingman City Mayor
310 North Fourth Street
Kingman, Arizona 86401

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RE: Cerbat Water Company Emergency Surcharge for Purchasing Water from the City of Kingman (Dockets Nos. W-02391A-11-0166 and W-02391A-10-0218)

Dear Mayor Salem:

The purpose of this letter is to inform you of the Arizona Corporation Commission's actions today. The Commission held an emergency Open Meeting this afternoon and voted to approve an emergency surcharge mechanism to cover the costs of emergency measures for the purchase of water from the City of Kingman necessary to ensure continued water service to Cerbat's customers. It is the Commission and its Staff's understanding that the City has agreed to sell pre-paid water to Cerbat Water Company in the amount of \$2,500 for 500,000 gallons, on an emergency interim basis. The Commission's vote to approve the emergency surcharge mechanism included ordering its Staff and Cerbat to meet next week and determine the appropriate method for calculating the emergency surcharge. Cerbat was also ordered to notice its customers of the method for the surcharge's calculation once the mechanism is established.

The Commission and its Staff want to thank you and the City of Kingman for its cooperation in this emergency situation. On behalf of the Chairman and Commissioners, I wanted to let you know that your help in ensuring water service to Cerbat's customers in these exigent circumstances is much appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven M. Olea".

Steven M. Olea
Director
Utilities Division

SMO:red

CC: Docket Control
Steve Wene
Rick Neal

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