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Arizona Corporation Commission

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MAY 31 2011

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2011 MAY 31 A 10: 58

AZ CORP COMMISSION
DOCKET CONTROL

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BEFORE THE ARIZONA CORPORATION COMMISSION

8 IN THE MATTER OF THE APPLICATION
 9 OF CHAPARRAL CITY WATER
 10 COMPANY, INC., AN ARIZONA
 11 CORPORATION, FOR A
 12 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: W-02113A-07-0551

NOTICE OF COMPLIANCE

13 Pursuant to Decision No. 72258 (April 7, 2011) ("Order"), Chaparral City Water
 14 Company (the "Company") hereby submits this Notice of Compliance in the above-
 15 captioned matter. The Order requires the Company to file confirmation that it has notified
 16 its customers of the corrected permanent commodity rates and the temporary surcharge.
 17 See the Affidavit of Paul T. Schubert attached as **Exhibit A**.

RESPECTFULLY SUBMITTED this 31st day of May, 2011.

FENNEMORE CRAIG, P.C.

21 By

22 Norman D. James
 23 Jay L. Shapiro
 24 3003 North Central Avenue, Suite 2600
 25 Phoenix, Arizona 85012
 26 Attorneys for Chaparral City Water
 Company

1 **ORIGINAL** and thirteen (13) copies
2 of the foregoing were filed
3 this 31st day of May, 2011, to:

4 Docket Control
5 Arizona Corporation Commission
6 1200 W. Washington St.
7 Phoenix, AZ 85007

8 **COPY** of the foregoing was hand delivered
9 this 31st day of May, 2011, to:

10 Robin Mitchell, Esq.
11 Legal Division
12 Arizona Corporation Commission
13 1200 W. Washington Street
14 Phoenix, AZ 85007

15 Carmel Hood, Compliance
16 Utilities Division
17 Arizona Corporation Commission
18 1200 W. Washington Street
19 Phoenix, AZ 85007

20 Connie Walczak, Consumer Services
21 Utilities Division
22 Arizona Corporation Commission
23 1200 W. Washington Street
24 Phoenix, AZ 85007

25 **COPY** of the foregoing mailed
26 this 31st day of May, 2011, to:

Daniel W. Pozefsky, Esq.
Residential Utility Consumer Office
1110 W. Washington Street, Suite 200
Phoenix, AZ 85007

Craig A. Marks, Esq.
10645 N. Tatum Blvd.
Suite 200-676
Phoenix, AZ 85028
Attorney for Pacific Life

25 By Mary House
26 2424968.W010696.0016

EXHIBIT

A

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AFFIDAVIT OF PAUL T. SCHUBERT

Paul T. Schubert, being duly sworn, deposes and says:

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

2. I am District Manager of Chaparral City Water Company (the "Company").

3. Pursuant to Decision No. 72258, issued April 7, 2011, on May 27, 2011 and May 31, 2011 the Company mailed to customers notification of the corrected permanent commodity rates and temporary surcharge. A copy of the notice is attached hereto as **Exhibit 1**.

4. In further accordance with Decision No. 72258, the Company submits this affidavit of mailing.

Paul T. Schubert
Paul T. Schubert

SUBSCRIBED and sworn to before me this 23rd day of May, 2011. in Maricopa County, Arizona

Michelle M. Rich
Notary Public

My Commission Expires:

2424702.1/010696.0016



EXHIBIT

1

CHAPARRAL CITY WATER COMPANY, INC.
NEW RATES EFFECTIVE MAY 1, 2011 and
SURCHARGE EFFECTIVE MAY 1, 2011 – OCTOBER 31, 2011

Chaparral Water Company, Inc. ("CCWC" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase on September 26, 2007. On October 21, 2009, the Commission issued Decision No. 71308, authorizing new rates and charges, effective October 15, 2009, based on a revenue increase of \$1,764,371.

On November 10, 2009, CCWC filed an Application for Rehearing, requesting rehearing on five issues in Decision No. 71308, including the issue of a computational error in the rates. The Commission ultimately corrected the error on December 8, 2009 in Decision No. 71424. The Commission then voted to rehear two of the other issues addressed in CCWC's Application for Rehearing, and directed the parties to present additional evidence before an Administrative Law Judge of the Commission. On April 7, 2011, the Commission issued Decision No. 72258, which authorized a revenue increase of \$1,883,020, \$118,649 more than was authorized in Decision No. 71308, and ordered the Company to calculate commodity rates based on the \$1,883,020 revenue increase. **The result is a \$0.06 increase to the commodity rates. The new schedule of commodity rates is shown below. Example: A residential customer with a ¾" meter using 8,000 gallons per month would see an increase of \$0.48.**

TEMPORARY SURCHARGE MAY 1, 2011 – OCTOBER 31, 2011

In Decision No. 72258, the Commission also ordered CCWC to assess a temporary surcharge, for a period of six months, on all customers paying commodity rates, to collect the difference in revenues, with interest at a rate of 6.0 percent. **Accordingly, the Company will collect from each customer paying a commodity rate an additional charge of \$0.16 per 1,000 gallons. The surcharge applies to all water use on and after May 1, 2011 through October 31, 2011 and is IN ADDITION to the Commodity Rates below. Example: A residential customer with a ¾" meter using 8,000 gallons per month would see a SURCHARGE of \$1.28.**

COMMODITY RATES per 1,000 gallons

METER SIZE	COMMODITY	CHARGE
¾" Meter (Residential)	0 to 3,000 Gallons	\$2.31
	3,001 to 9,000 Gallons	2.96
	Over 9,000 Gallons	3.61
¾" Meter (Commercial and Industrial)	0 to 9,000 Gallons	2.96
	Over 9,000 Gallons	3.61
1" Meter (Residential, Commercial and Industrial)	0 to 24,000 Gallons	2.96
	Over 24,000 Gallons	3.61
1 ½" Meter (Residential, Commercial and Industrial)	0 to 60,000 Gallons	2.96
	Over 60,000 Gallons	3.61
2" Meter (Residential, Commercial and Industrial)	0 to 100,000 Gallons	2.96
	Over 100,000 Gallons	3.61
3" Meter (Residential, Commercial and Industrial)	0 to 225,000 Gallons	2.96
	Over 225,000 Gallons	3.61
4" Meter (Residential, Commercial and Industrial)	0 to 350,000 Gallons	2.96
	Over 350,000 Gallons	3.61
6" Meter (Residential, Commercial and Industrial)	0 to 725,000 Gallons	2.96
	Over 725,000 Gallons	3.61
8" Meter (Residential, Commercial and Industrial)	0 to 1,125,000 Gallons	2.96
	Over 1,125,000 Gallons	3.61
10" Meter (Residential, Commercial and Industrial)	0 to 1,500,000 Gallons	2.96
	Over 1,500,000 Gallons	3.61
12" Meter (Residential, Commercial and Industrial)	0 to 2,250,000 Gallons	2.96
	Over 2,250,000 Gallons	3.61
Irrigation and Construction/Bulk (All Meters)	All Gallons	2.96
Fire Hydrant Irrigation/Construction (All Meters)	All Gallons	2.96
Fire Sprinklers (All Meters)	All Gallons	2.96
Standpipe 2" Meter*	All Gallons	2.96

* Standpipe water service is contemplated to be provided through only 2" meters. In the event a customer needs larger or smaller metered service, an appropriate tariff for that service will be filed with the Commission.

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