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AZ CORP COMMISSION  
DOCKET CONTROL

**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 CORRECTION**

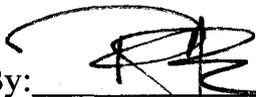
18 Payson Water Company ("Payson Water" or the "Company") hereby submits this  
19 Notice of Correction in the above-referenced matter. Pursuant to Decision No. 71902  
20 (September 28, 2010) ("Order"), on October 28, 2010 the Company filed the approved  
21 curtailment plan tariff and an interim water augmentation surcharge tariff. See Payson  
22 Water's Notice of Compliance. On November 22, 2010, the Company filed a revised  
23 curtailment plan tariff and interim water augmentation surcharge tariff. See Payson  
24 Water's Notice of Compliance (Errata). The Company's revised filing was approved as  
25 being in compliance on June 17, 2011.

26 It has come to the Company's attention that the Water Augmentation Surcharge  
Tariff filed on November 22, 2010, contains an error with respect to certain exemptions  
for customers who use an average of 4,000 gallons of water or less per month. Per  
Decision No. 71902, these customers are exempt from the mandatory reduction in daily

1 use requirements as outlined in Stage 3, Stage 4, and Stage 5 of the Company's  
2 Curtailment Tariff; however, there is no such similar exemption from the water  
3 augmentation surcharge. Attached as **Exhibit A** is the corrected Emergency Interim  
4 Water Augmentation Surcharge Tariff, Sheet No. 2.0, which replaces the version filed on  
5 November 22, 2010.

6 RESPECTFULLY SUBMITTED this 17<sup>th</sup> day of August, 2011.

7 FENNEMORE CRAIG, P.C.

8  
9  
10 By:   
11 Patrick J. Black  
12 Attorneys for Payson Water Company

12 **ORIGINAL** and 13 copies filed  
13 this 17<sup>th</sup> day of August, 2011, with:

14 Docket Control  
15 Arizona Corporation Commission  
16 1200 West Washington Street  
17 Phoenix, Arizona 85007

18 **COPY** hand-delivered  
19 this 17<sup>th</sup> day of August, 2011, to:

20 Kimberly Ruht, Esq.  
21 Legal Division  
22 Arizona Corporation Commission  
23 1200 West Washington Street  
24 Phoenix, Arizona 85007

25 Marlin Scott, Jr.  
26 Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

1 Carmel Hood, Compliance  
Utilities Division  
2 Arizona Corporation Commission  
1200 West Washington Street  
3 Phoenix, Arizona 85007

4 **COPY** mailed  
5 this 17<sup>th</sup> day of August, 2011, to:

6 Mesa Del Water Committee  
c/o El Caballo Club, Inc.  
7 8119 Mescalero  
Payson, Arizona 85541

8  
9 By: Mario Sam Jose

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# **EXHIBIT**

**A**

		Revised	SHEET NO.	2.0
Payson Water Co., Inc.		Revised	SHEET NO	
Docket No. W-03514A-10-0116 et al.	Mesa Del Caballo Water System (PWS 04-030)			
	(Name of Service Area)			

**EMERGENCY INTERIM**  
**WATER AUGMENTATION SURCHARGE TARIFF**

In Decision No. 71902 (September 28, 2010), the Arizona Corporation Commission approved an interim water augmentation surcharge tariff to address water shortage issues in conjunction with a revised curtailment tariff. During Stage 3, Stage 4, and Stage 5 of the curtailment plan, the permissible water augmentation surcharge is to be calculated as outlined below:

Water Augmentation Surcharge

*Applicability* – This interim surcharge shall be in effect between May 1 and September 30 of each year, beginning in 2011, until the conclusion of Payson Water Company’s next rate proceeding. It shall only apply to customers served on the Mesa Del Caballo water system.

*Calculation* – Each customer’s monthly surcharge shall be calculated based on the company’s prior month’s water hauling costs, and compared to the customer’s water usage during that particular month. The only costs recovered by the company through this interim surcharge will be the cost of the water supply and transportation costs; there will be no administrative costs or profit of this surcharge.

ISSUED:			EFFECTIVE:	
	Month Day Year			Month Day Year
		ISSUED BY: Robert T. Hardcastle		
		3101 State Road		
		Bakersfield, CA 93308		
		Decision No. 71902 (September 28, 2010)		