

SAHUARITA
Water Company



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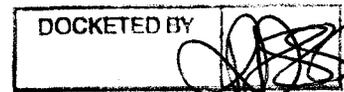
AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

OCT 19 2011

Via Certified Mail

October 17, 2011



Docket Control
Arizona Corporation Commission
1200 W Washington Street
Phoenix, AZ 85007

Re: Sahuarita Water Company, LLC
Docket No. W-03718A-09-0359
Decision No. 72177

NOTICE OF COMPLIANCE WITH DECISION NO. 72635

In Decision No. 72635 (October 14, 2011), the Arizona Corporation Commission approved Sahuarita Water Company's application to implement new CAGR D adjustor fees for all customer billings for water sold subsequent to October 1, 2011. Decision No. 72635 requires that Sahuarita Water Company file with the Commission a CAGR D adjustor fee tariff consistent with the rates approved.

We have enclosed one (1) original and thirteen (13) copies of Section IV of our previously approved tariff updated to reflect the new CAGR D adjustor fee rates (Sheet No. 4.1a).

Marian Homiak
Controller

/mh
Enclosures

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Sahuarita Water Company, LLC	2011 OCT 19 11 A 9:53		SHEET NO.	4.0
W-03718A-09-0359				

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IV. CAGR D FEE ADJUSTOR:

The Arizona Corporation Commission authorized the Company to implement a Central Arizona Groundwater Replenishment District ("CAGR D") fee adjustor to recover the annual charges imposed upon the Company by the CAGR D as a result of the Company's membership in the CAGR D. Accordingly, in addition to all other applicable rates and charges in this tariff, each customer shall pay a monthly CAGR D fee adjustor per thousand gallons of water delivered, as set forth below, effective for all water service rendered in all water service areas for all classes of service on and after March 1, 2011 in accordance with the following conditions as set forth in Decision No. 72177:

1. The adjustor fee shall apply to all water sold after October 1, 2010, or shall become effective on the date new rates from this case become effective, whichever is later.
2. The Company shall, on a monthly basis, place all CAGR D monies collected from customers in a separate, interest-bearing account ("CAGR D Account").
3. The only time the Company can withdraw money from the CAGR D Account is to pay the annual CAGR D fee to the CAGR D, which is due on October 15th of each year.
4. The Company must provide to Staff a semi-annual report of the CAGR D account and CAGR D use fees collected from customers and paid to the CAGR D, with the reports due during the last week of October and the last week of April of each year.
5. The Company must provide to Staff, every June 30th, the new firm rates set by the CAGR D for the following years.
6. The CAGR D adjustor fee 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.

ISSUED		ISSUED BY:	EFFECTIVE
	Month Day Year		Month Day Year
	Feb. 11, 2011	Mark Seamans, President	March 1, 2011
		4549 East Fort Lowell Road	
		Tucson, AZ 85712	
		Decision No. 72177	

			SHEET NO.	4.1a
Sahuarita Water Company, LLC			Replaces Sheet No.	4.1
W-03718A-09-0359				

CAGR D FEE ADJUSTOR (continued):

7. By August 25th 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 1st.
8. If the CAGR D changes its current method of assessing fees to some other method, such as, but not limited to, future projections, water usage, or total water allocated to the Company, the Company's collection from customers of CAGR D fees shall cease.
9. As a compliance item, the Company shall submit yearly, a new tariff reflecting the reset adjustor amount.

Pursuant to Decision No. 72635, the new CAGR D adjustor fees approved for all customer billings for water sold subsequent to October 1, 2011 is \$0.76 per kgal. Staff's calculation of the new CAGR D adjustor fee is shown below:

A. 2010 CAGR D invoice	\$263,830
B. Plus under-collection for 2009	74,933
C. Amount to be recovered	338,763
D. Total kgal sold in 2010	446,299
E. Charge per kgal [C/D]	\$ 0.76

ISSUED	Month Day Year	ISSUED BY:	EFFECTIVE	Month Day Year
	Feb. 11, 2011	Mark Seamans, President		March 1, 2011
UPDATED	Oct. 17, 2011	4549 East Fort Lowell Road Tucson, AZ 85712	UPDATE EFFECTIVE	Oct. 1, 2011
		Decision No. 72177 and 72635		