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BEFORE THE ARIZONA CORPORATION

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CORP COMMISSION  
DOCKET CONTROL

COMMISSIONERS

BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

IN THE MATTER OF ARIZONA WATER  
COMPANY'S AMENDED APPLICATION  
FOR AUTHORITY TO IMPLEMENT  
STEP-1 (PINWOOD/RIMROCK) AND  
STEP-2 (SEDONA) OF THE ARSENIC  
COST RECOVERY MECHANISM IN ITS  
VERDE VALLEY SYSTEM.

DOCKET NO. W-01445A-08-0440

**CERTIFICATION OF NOTICE**

On February 6, 2013, the Commission entered Decision No. 73662 (the "Decision") in the above-referenced docket. The Decision authorized Arizona Water Company (the "Company") to implement a Step-2 ACRM surcharge for all customers in its Sedona water system. The Decision also ordered the Company to notify its Sedona water system customers of the arsenic cost recovery surcharge tariff approved in the Decision within thirty (30) days of the effective date of this Decision.

IT IS HEREBY CERTIFIED THAT the Company completed mailing copies of the public notice to each of its Sedona customers, via U. S. Postal Service, on February 28, 2013. A copy of the Notice is attached hereto as Attachment A.

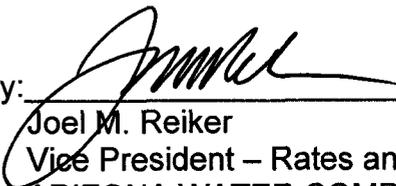
RESPECTFULLY SUBMITTED this 7th day of March, 2013.

Arizona Corporation Commission  
**DOCKETED**

MAR 7 2013

DOCKETED BY

1 ARIZONA WATER COMPANY

2  
3 By:   
4 Joel M. Reiker  
5 Vice President – Rates and Revenues  
6 ARIZONA WATER COMPANY  
7 Post Office Box 29006  
8 Phoenix, Arizona 85038-9006

9 An original and 13 copies of the foregoing were delivered this 7th day of March, 2013,  
10 to:

11 Docketing Supervisor  
12 Docket Control  
13 Arizona Corporation Commission  
14 1200 West Washington  
15 Phoenix, AZ 85007

16 A copy of the foregoing was mailed this 7th day of March, 2013, to:

17 Lyn Farmer, Chief Administrative Law Judge  
18 Hearing Division  
19 Arizona Corporation Commission  
20 1200 West Washington  
21 Phoenix, AZ 85007

22 Janice Alward, Chief Counsel  
23 Legal Division  
24 Arizona Corporation Commission  
25 1200 West Washington  
26 Phoenix, AZ 85007

27 Steven M. Olea, Director  
28 Utilities Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Brian Bozzo  
Compliance & Enforcement Manager  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

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Lori Miller  
Program & Project Specialist II – Utilities Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Patrick Quinn, Director  
Residential Utility Consumer Office  
1110 W. Washington, Suite 220  
Phoenix, AZ 85007

By: 

ATTACHMENT A



**NOTICE OF WATER RATE CHANGE**

ON FEBRUARY 6, 2013, THE ARIZONA CORPORATION COMMISSION (ACC) ISSUED DECISION NO. 73662 IN DOCKET NO. W-01445A-08-0440 AUTHORIZING THE IMPLEMENTATION OF STEP TWO OF THE ARSENIC COST RECOVERY SURCHARGE REFLECTING THE COST OF REQUIRED WATER TREATMENT FACILITIES TO MEET FEDERALLY MANDATED ARSENIC STANDARDS. IT IS ESTIMATED THAT THIS SURCHARGE WILL INCREASE THE AVERAGE RESIDENTIAL CUSTOMER BILL BY \$4.50 PER MONTH (BASED ON AVERAGE USAGE IN SEDONA OF 8,751 GALLONS PER MONTH).

THIS INCREASE WILL BE REFLECTED SEPARATELY ON YOUR WATER BILL AS A NEW BASIC SERVICE SURCHARGE OF:

METER SIZE	<u>FEB. 6, 2013 TO FEB. 5, 2014</u>		<u>AFTER FEB. 5, 2014</u>	
	RESIDENTIAL, COMMERCIAL, CONSTRUCTION & RESALE	INDUSTRIAL	RESIDENTIAL, COMMERCIAL, CONSTRUCTION & RESALE	INDUSTRIAL
5/8 x 3/4-INCH	\$2.87	\$2.87	\$2.34	\$2.34
1-INCH	\$6.93	\$7.18	\$5.65	\$5.85
2-INCH	\$22.96	\$21.61	\$18.72	\$17.62
3-INCH	\$45.92	\$43.23	\$37.44	\$35.24
4-INCH	\$71.75	\$67.54	\$58.50	\$55.07
6-INCH	\$143.51	\$135.08	\$117.01	\$110.14
8-INCH	\$229.61	\$216.13	\$187.21	\$176.22
10-INCH	\$330.07	\$310.69	\$269.12	\$253.31

AND A WATER COMMODITY SURCHARGE OF:

<u>FEB. 6, 2013 TO FEB. 5, 2014</u>	<u>AFTER FEB. 5, 2014</u>
\$0.2737 PER 1,000 GALLONS	\$0.2233 PER 1,000 GALLONS

THE ARSENIC COST RECOVERY SURCHARGE WILL BE ELIMINATED AT THE CONCLUSION OF ARIZONA WATER COMPANY'S CURRENTLY PENDING GENERAL RATE CASE IN ACC DOCKET NO. W-01445A-12-0348.

IF YOU HAVE ANY QUESTIONS ABOUT THIS SURCHARGE, YOU CAN CONTACT THE COMPANY AT (928) 282-5555.