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ARIZONA CORPORATION COMMISSION

November 12, 2025

Steve Wene
Moyes, Sellers & Hendricks
1850 North Central Avenue, Suite 1100
Phoenix, Arizona 85004

RE: WILLIAM R. FARR
DOCKET NO. W-01084A-24-0115
DECISION NO. 79646

Notice of Partial Compliance

Dear Mr. Wene:

On January 28, 2025, you filed an Emergency Water Augmentation Surcharge Tariff and Plan of Administration in compliance with the above-mentioned Decision. Based upon a review by the analyst(s) assigned, attached is a stamped copy of the approved tariffs, with an effective date of December 31, 2024.

If you have questions regarding the filing of these tariffs, please contact me at (602) 542-0664.

Sincerely,

Russ Ullinger
Compliance Officer/Project Specialist II
Utilities Division

RFU:mv

Enclosures

cc: Docket Control

ACC - Docket Control - Received 11/12/2025 10:21 AM
ACC - Docket Control - Docketed 11/12/2025 10:29

On this 12th day of November 2025, the foregoing document was filed with Docket Control as a Memo of Partial Compliance, and copies of the foregoing were mailed on behalf of the Utilities Division to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

Steve Wene
Moyes, Sellers & Hendricks
1850 North Central Avenue
Suite 1100
Phoenix, Arizona 85004
swene@law-msh.com
Consented to Service by Email

Thomas Van Flein
Office of General Counsel
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007
legaldiv@azcc.gov
utildiverservicebyemail@azcc.gov
Consented to Service by Email

By: _____
Meliza Villegas
Administrative Support Specialist

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EMERGENCY WATER AUGMENTATION SURCHARGE TARIFF AND PLAN OF ADMINISTRATION

Utility: **William P. Farr dba Salome Water Company** **Decision No.: 79646**
Docket No.: **W-01807A-24-0115** **Effective Date: 12/31/2024**

I. Purpose and Applicability

Purpose

The purpose of this tariff is to authorize William P. Farr dba Salome Water Company to make monthly adjustments to its rates and charges for water service in order to recover costs incurred for water purchases and hauling ("Water Augmentation Costs") in the event that William P. Farr dba Salome Water Company experiences and emergency water shortage[1]. The charges will be assessed based on usage as provided below.

Applicability

This tariff is obtained during the processing of a permanent rate application and only applies to residential customers of Class C, D, and E water companies as defined by the Arizona Administrative Code. This tariff only applies in the event of an "emergency water shortage" as defined in Section II of the definitions below. If a company also wants a water augmentation surcharge that can be used during non-emergency situations, the company should file a request for such which includes a draft of the proposed non-emergency water augmentation surcharge tariff. The "Purpose" section of the proposed tariff should clearly explain the water shortage problems and would cause the non-emergency water augmentation surcharge to go into effect.

II. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

"Affiliate" means any other entity[2] directly or indirectly controlling or controlled by, or under direct or indirect common control with William P. Farr dba Salome Water Company. For purposed of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any entity, means the power to direct the management policies of such entity, whether through ownership of voting securities, or by contract, or otherwise.

"Company" means William P. Farr dba Salome Water Company.

[1] See definition for meaning of emergency water shortage.
[2] A corporation, partnership, limited partnership, joint venture, trust, estate, or natural person.

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"Curtailment Account Balance" means the monies collected under the curtailment tariff authorized by Decision No. 79646 and which become effective by operation of law on December 31, 2024.

"Emergency Water Augmentation Surcharge" means the surcharge calculated in accordance with Section IV below.

"Emergency Water Shortage" means a water shortage of a serious nature, developing suddenly or unexpectedly, that is out of the Company's control, and demanding immediate attention. Water shortages that are a recurring situation, for example, each year the utility needs to haul water every August, would not qualify as an emergency.

"Surcharge Rate" means the rate per 1,000 gallons that is calculated in accordance with Section III below.

"Water Augmentation Cost" means the actual cost of water purchased and water hauling costs.

"Water Augmentation Quantity" means the actual quantity of augmented water (in thousands of gallons).

"Water Sold" means the actual quantity (in thousands of gallons) of water sold by the Company to its Customers during the month corresponding to the month in which water was purchased.

III. Surcharge Rate Calculation

The surcharge is calculated using data from the previous month's bill. For example, the water augmentation surcharge that is applied on the July bill is calculated using the June water augmentation costs and the June total gallons sold. See Attachment A for an example of the calculation.

Attachment A

Example

This example illustrated how the water augmentation that is included on a customer's July bill would be calculated using the 2,000 gallons that the customer used in the month of June.

[A] Total June Water & Hauling Costs		[B] June Ending Curtailment Account Balance		[C] Total Gallons Sold in June Gallons in 1,000's		[D] Emergency Water Augmentation Surcharge Per 1,000 Gallons
($3,000	-	$100	) /	494	=	$5.87

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[E] Customer's June Usage Gallons in 1,000's		[F] Emergency Water Augmentation Surcharge (From Col. D)		[G] Total Emergency Water Augmentation Surcharge on July Bill
2	x	$5.87	=	$11.74

For each month that the Company augments water, the Company will calculate the Surcharge Rate per the following formula:

Water Augmentation cost / Water Sold

IV. Plan of Administration

(A) Intent to Bill Emergency Water Augmentation Surcharge:

For any month in which water is augmented, after completing its billing for the month and receiving the billing for the month, the Company will calculate the Surcharge Rate using the same methodology discussed herein and shown on Attachment A and provide Utilities division of the Arizona Corporation Commission ("Commission Staff") notice of the Company's intent to bill the Emergency Water Augmentation Surcharge.

(B) Notice of Commission Staff:

For any month in which the Company intends to bill customers an Emergency Water Augmentation Surcharge, the Company shall provide Commission Staff notice of the Company's intent to bill the Emergency Water Augmentation Surcharge. The notice to Commission Staff shall include the following:

1. The Water Augmentation Cost.
2. The Water Augmentation Quantity.
3. A copy of the bill(s) received for the Water Augmentation.
4. A description of the system problem necessitating Water Augmentation and a description of the action being taken by the Company to resolve the problem, including the date operations did or are expected to return to normal.
5. The dates for beginning and ending Water Augmentation.

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6. A schedule showing the calculation of the Emergency Water Augmentation Surcharge Rate in excel format with formulas intact.
7. Identification of hauling option(s) available. If only one option was available, please state that there was only one option.
8. Whether or not the hauling entity was an affiliate.

(C) Implementation of Emergency Water Augmentation Surcharge:

Commission Staff will review the Notice. If the filing is acceptable to Commission Staff, the resulting surcharge will be charged in the following month, William P. Farr dba Salome Water Company, will bill the Emergency Water Augmentation Surcharge to its customers. Each individual customer's billing for the Emergency Water Augmentation Surcharge will be based on the customer's actual usage for the previous month (the month corresponding to the Water Augmentation) times the Surcharge Rate. See Attachment A for an example of the calculation.

The Emergency Water Augmentation Surcharge shall be presented as a separate line item on the customer billing.

(D) Documentation to be Maintained:

The Company shall maintain documentation for all costs, billing determinants, and revenues recoveries.

(E) Customer Notice:

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of this tariff but no later than sixty (60) days after the effective date of the tariff in a form acceptable to Staff.

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