

**INTERIM EMERGENCY WATER AUGMENTATION SURCHARGE TARIFF
AND PLAN OF ADMINISTRATION**

Utility: Granite Mountain Water Company, Inc.

Decision No. 79728

Docket No.: W-02467A-24-0238

Effective Date: February 19, 2025

I. Purpose and Applicability

Purpose

The purpose of this tariff is to authorize **Granite Mountain Water Company, Inc.** 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 **Granite Mountain Water Company, Inc.** experiences an emergency water shortage as defined below. The charges will be assessed based on usage as provided below.

Applicability

This tariff was obtained during the processing of an emergency rate application and has been approved by the Arizona Corporation Commission (“Commission”) and shall be effective until the Commission reviews and approves a permanent tariff during a permanent rate case. This tariff only applies in the event of an “emergency water shortage” as defined in Section II of the definitions below.

II. Definitions

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

“Affiliate,” means any other entity¹ directly or indirectly controlling or controlled by, or under direct or indirect common control with **Granite Mountain Water Company, Inc.** For purposes 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 **Granite Mountain Water Company, Inc.**

“Curtailed Account Balance” means the monies collected under the curtailment tariff authorized in Decision No. **71401**.

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

¹ A corporation, partnership, limited partnership, joint venture, trust, estate, or natural person.

“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.

“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.

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

$$\text{Water Augmentation Cost} / \text{Water Sold}$$

Example

This example illustrates how the water augmentation surcharge 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]	[B]	[C]	[D]
Total June Water & Hauling Costs	June Ending Curtailment Account Balance	Total Gallons Sold in June Gallons in 1,000’s	Emergency Water Augmentation Surcharge Per 1,000 Gallons
(\$3,000 -)	\$100	494	\$5.87
		/	=

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

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 provide the Utilities Division of the Commission (“Commission Staff”) notice of the Company’s intent to bill the Emergency Water Augmentation Surcharge.

(B) Notice to 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 clear description explaining 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.
6. A schedule showing the calculation of the Emergency Water Augmentation Surcharge Rate in excel format with formulas intact.
7. Identification of the 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, and **Granite Mountain Water Company, Inc.** 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 that customer’s actual usage for the previous month (the month corresponding to the Water Augmentation) times the Surcharge Rate.

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 the tariff or no later than sixty (60) days after the effective date of the tariff.