

OPEN MEETING

MEMORANDUM

TO: THE COMMISSION

FROM: Utilities Division

DATE: September 3, 2025

RE: IN THE MATTER OF THE APPLICATION OF VOYAGER AT WHITE MOUNTAIN LAKES WATER COMPANY, INC., FOR APPROVAL FOR AN EMERGENCY RATE INCREASE. (DOCKET NO. W-01983A-23-0166).

SUBJECT: MOTION TO AMEND DECISION NO. 79063 PURSUANT TO A.R.S. § 40-252 TO CONTINUE AN APPROVED EMERGENCY SURCHARGE AT A REDUCED AMOUNT.

The enclosed is a Staff recommendation to the Commission; it has not yet become an order of the Commission. The Commission may decide to accept, amend, or reject Staff's Proposed Order.

You may file comments to the recommendation(s) of the proposed order by efilings at <https://efiling.azcc.gov/> or by filing with the Commission's Docket Control in accordance with the Filing Requirements available at <https://www.azcc.gov/hearing/filing-requirements>, on or before: **September 12, 2025.**

This matter may be scheduled for Commission deliberation at its Open Meeting scheduled **September 17, 2025.**

If you have any questions about this matter, please contact Robert Ames of Staff at (602) 542-8908.

**BACKGROUND**

On June 23, 2023, Voyager at White Mountain Lakes Water Company, Inc. ("Voyager" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for approval of an emergency surcharge in order to fund \$605,317 for system repairs, and management expenses. This request was approved in Decision No. 79063 (August 25, 2023). The approved emergency surcharge is shown below:

| Meter Size | Surcharge |
|------------|-----------|
| 5/8 x 3/4" | \$29.55   |
| 3/4"       | 44.33     |
| 1"         | 73.88     |
| 1 1/2"     | 147.75    |
| 2"         | 236.41    |
| 3"         | 443.26    |
| 4"         | 738.77    |
| 6"         | 1,477.54  |

Per Decision No. 79063, the surcharge is to terminate without further order of the Commission upon collection of \$605,317 or 24 months after its implementation, whichever is earlier. The Company implemented its surcharge in September 2023, and through July 31, 2025, the Company states that it has billed \$572,949 in surcharges. Thus, the emergency surcharge is set to terminate on August 25, 2025.

On August 12, 2025, Voyager filed an application to amend Decision No. 79063 pursuant to Arizona Revised Statutes ("A.R.S.") § 40-252 to authorize the continuation of the emergency surcharge at lowered rates as shown below:

| Meter Size | NARUC Multiplier | Surcharge |
|------------|------------------|-----------|
| 5/8 x 3/4" | 1                | \$22.00   |
| 3/4"       | 1.5              | 33.00     |
| 1"         | 2.5              | 55.00     |
| 1 1/2"     | 5                | 110.00    |
| 2"         | 8                | 176.00    |
| 3"         | 15               | 330.00    |
| 4"         | 25               | 550.00    |
| 6"         | 50               | 1,100.00  |

In Decision No. 79063, the Company was ordered to file a rate case by August 25, 2025. The Company states that it has been working with the Commission's Small Water Ombudsman Office to meet this deadline. In addition, the Company contends it would not be able to fund all ongoing operation, maintenance, and repair expenses through the date that new rates and charges can be approved by the Commission, without a continuation of the emergency surcharge.

On August 25, 2025, the Company filed an additional application to amend Decision No. 79063 pursuant to A.R.S. § 40-252 to extend the deadline for filing a rate case through and including December 31, 2025.

**STAFF ANALYSIS AND RECOMMENDATIONS**

Commission Utilities Division Staff ("Staff") has reviewed the Company's request and finds it reasonable and in the public interest.

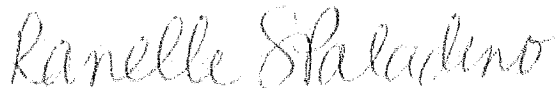
Staff believes that it would be difficult for the Company to operate without the emergency surcharge until new rates are authorized in a Decision by the Commission.

Staff recommends amending Decision No. 79063 to continue the emergency surcharge at the proposed reduced rates below:

| Meter Size | NARUC Multiplier | Surcharge |
|------------|------------------|-----------|
| 5/8 x 3/4" | 1                | \$22.00   |
| 3/4"       | 1.5              | 33.00     |
| 1"         | 2.5              | 55.00     |
| 1 1/2"     | 5                | 110.00    |
| 2"         | 8                | 176.00    |
| 3"         | 15               | 330.00    |
| 4"         | 25               | 550.00    |
| 6"         | 50               | 1,100.00  |

Staff further recommends that the Company be allowed to collect the proposed emergency surcharge until such time as the Commission issues a Decision on the Company's rate case application, or until December 31, 2026, whichever is earlier.

Staff also recommends that the Commission amend Decision No. 79063 to extend the deadline for filing a rate case from August 25, 2025, to no later than December 31, 2025, using a test year acceptable to Staff.



Ranelle S. Paladino  
Briton A. Baxter  
Utilities Division Co-Directors

RSP BAB:RA:kaRLR

ORIGINATOR: Robert Ames

THE COMMISSION

September 3, 2025

Page 4

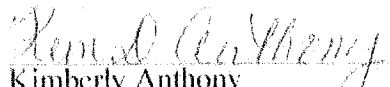
On this 3<sup>rd</sup> day of September 2025, the foregoing document was filed with Docket Control as a Utilities Division Memorandum & Proposed Order, and copies of the foregoing were mailed on behalf of the Utilities Division to the following who have not consented to email service. On this date or 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.

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