

**PUBLIC NOTICE OF HEARING ON BACA FLOAT WATER COMPANY, INC.,  
CLEAR SPRINGS UTILITY COMPANY, INC., EAST SLOPE WATER COMPANY, INC.,  
MESCAL LAKES WATER SYSTEMS, INC., AND NACO WATER COMPANY, L.L.C.'S  
APPLICATIONS FOR DETERMINATIONS OF THE CURRENT FAIR VALUE OF THEIR  
RESPECTIVE UTILITY PLANT AND PROPERTY AND FOR CHANGES IN THEIR  
RATES AND CHARGES THEREON FOR UTILITY SERVICE AND FOR  
CERTAIN RELATED APPROVALS.  
(DOCKET NOS. WS-01678A-24-0007, WS-01678A-24-0008, W-01689A-24-0009, WS-  
01689A-24-0010, W-01906A-24-0011, W-02472A-24-0012 AND W-02860A-24-0013)**

**Summary – Water Rates**

On January 12, 2024, Mescal Lakes Water Systems, Inc. (“Mescal Lakes” or “Company”) filed with the Arizona Corporation Commission (“Commission”) an application for an order determining the fair value of its utility plant and property used for the provision of water utility service, and approving rates and charges for utility service designed to produce a fair return thereon.

Mescal Lakes requests authorization to decrease its water rates to generate total revenues of \$235,722. This would constitute a decrease in revenues of \$41,977, or 15.12 percent, compared to test year revenues of \$277,700. For a customer served by a 5/8 x 3/4-inch meter with a median monthly consumption of 2,478 gallons, the proposed rate increase would decrease the monthly bill by \$4.19 or 14.91 percent, from a current monthly bill of \$28.10 to \$23.91.

**Summary – Consolidation**

Mescal Lakes has also requested authorization from the Commission to consolidate with Baca Float Water Company, Inc., Clear Springs Utility Company, Inc., East Slope Water Company, Inc., and Naco Water Company, L.L.C. into a new water and wastewater district to be known as Hearthstone Water South. If the consolidation is authorized by the Commission, the proposed water rates for Hearthstone Water South would increase the monthly water bill of a current Mescal Lakes residential customer using a 5/8 x 3/4-inch meter with a median monthly consumption of 2,478 gallons by \$17.20, or 61.21 percent, from \$28.10 to \$45.30.

In addition to the rate increase, Mescal Lakes requests approval of a regulatory expense surcharge. Mescal Lakes has calculated the proposed monthly regulatory expense surcharge for current Mescal Lakes customers to be \$0.76 per customer for water service.

**NEITHER THE COMMISSION’S UTILITIES DIVISION (“STAFF”) NOR ANY INTERVENOR HAS YET MADE ANY RECOMMENDATION REGARDING COMPANY’S APPLICATION. THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF COMPANY, STAFF, OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED IN RESPONSE TO COMPANY’S APPLICATION BASED ON THE EVIDENCE PRESENTED IN THIS MATTER. THE FINAL RATES APPROVED BY THE COMMISSION MAY BE HIGHER, LOWER, OR DIFFERENT THAN THE RATES PROPOSED BY COMPANY OR BY OTHER PARTIES.**

**How You Can View or Obtain a Copy of the Application**

Copies of the Applications are available from Mescal Lakes’ website at <https://hearthstonewater.com/mescal-lakes-water-system/>; at the Commission’s Docket

Control Center at 1200 West Washington Street, Phoenix, Arizona, and the Commission's office at 400 West Congress Street, Suite 218, Tucson, Arizona, during regular business hours; and on the Commission website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function and the Docket Number shown above.

If you have any questions concerning how the Application may affect your bill or other substantive questions about the Application, you may contact the Company at: **Hearthstone Water, PO Box 2229, Great Falls, MT 59403, by phone at 623-219-4740, or email at [hearthstonewater@hearthstonecompany.com](mailto:hearthstonewater@hearthstonecompany.com).**

### **Arizona Corporation Commission Public Hearing Information**

The Commission will hold a hearing on this matter beginning **September 30, 2024, at 10:00 a.m.**, at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona 85007.

A public comment meeting will be held at the beginning of the first day of hearing, and comment may be provided in person or telephonically. To provide telephonic public comments, call **1-877-309-3457 and enter passcode 801972877##**.

Written public comments may be submitted by mailing a letter referencing **Docket No. WS-01678A-24-0007 et al.** to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using "Cases and Open Meetings" and "Make a Public Comment in a Docket." If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

**If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this docket unless you sign up to Follow the Docket. However, all documents filed in this docket are available online** (usually within 24 hours after docketing) at the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function. **Information on how to Follow a Docket is available on the Commission's website by clicking on "Cases and Open Meetings" and "Follow a Docket or Document Type."**

### **About Intervention**

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person's intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties' witnesses. **Intervention is not required for you to appear at the hearing and provide public comment, to file written comments in the record of the case, or to receive emailed notice of each filing made in the case by following the docket.**

**Information about what intervention means, including an explanation of the rights and responsibilities of an intervenor, is available on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) by clicking on "Cases and Open Meetings" and then clicking on "Intervene in a Case."** The information includes a Sample Intervention Request and a Fillable Intervention Request Form.

To request intervention, you must file a written request to intervene, either (a) by filing a hard copy request (meeting filing requirements) with Docket Control (Docket Control,

1200 West Washington, Phoenix, AZ 85007), or (b) by eFiling the request. Your request **must be filed or eFiled no later than May 15, 2024**. Instructions and restrictions for eFiling are available on the Commission's website at <http://azcc.gov/hearing/efile-for-utilities-instruction>. You also **must** serve a copy of the request to intervene on each party of record, on the same day that you file the request to intervene with the Commission.

Your request to intervene **must** contain the information below:

1. Your name, address, and telephone number;
2. The docket number for the case in which you are requesting to intervene;
3. A short statement explaining:
  - j. Your interest in the proceeding (e.g., a customer of the regulated company involved, a property owner in an area to be affected by the case, etc.),
  - k. How you will be directly and substantially affected by the outcome of the case, and
  - l. Why your intervention will not unduly broaden the issues in the case;
4. A statement certifying that you have sent a copy of your request to intervene to the regulated company or its attorney and to all other parties of record in the case; and
5. If you are not represented by an attorney who is an active member of the Arizona State Bar, and you are not representing yourself as an individual, sufficient information and any appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31.1, 31.2, 31.3, 38, 39, and 42, as applicable. This only applies if you are NOT representing yourself and you are not a licensed attorney.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **May 15, 2024**.

#### **ADA/Equal Access Information**

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Carolyn Buck, E-mail [ADACoordinator@azcc.gov](mailto:ADACoordinator@azcc.gov), voice phone number 602-542-2247. Requests should be made as early as possible and no later than 48 hours in advance of the event to allow time to arrange the accommodation.