

# ORIGINAL

## WATER RATES

<b>ARIZONA WATER COMPANY</b>		A.C.C. No.	470
Phoenix, Arizona		Cancelling A.C.C. No.	463
Filed by:	William M. Garfield	Tariff or Schedule No.	NP-274
Title:	President	Filed:	November 30, 2005
Date of Original Filing:	March 7, 1994	Effective:	December 1, 2005
System:	APACHE JUNCTION, CASA GRANDE, COOLIDGE, WHITE TANK		

### NON-POTABLE CENTRAL ARIZONA PROJECT WATER

#### AVAILABILITY:

In the Company's Apache Junction, Casa Grande, Coolidge, and White Tank water systems, where and when Central Arizona Project ("CAP") water is available.

#### SUITABILITY:

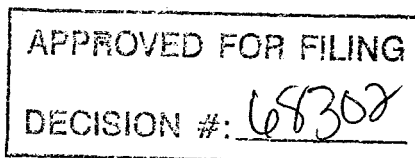
It is the customer's responsibility to determine the initial and continuing suitability of the non-potable CAP water furnished under this tariff for any intended uses. The Company does not treat, test or monitor non-potable CAP water and furnishes it to customers strictly on an "as received" basis from the Central Arizona Water Conservation District ("CAWCD"). The customer agrees to accept non-potable CAP water "as received." Compliance with any requirement of the Arizona Department of Environmental Quality, or any other agency having jurisdiction, concerning the use or quality of non-potable CAP water shall be the sole responsibility of the customer. The Company will not be liable for, and the customer will hold harmless, indemnify and defend the Company against, any injuries or damages arising from its service of non-potable CAP water.

#### FACILITIES AND DEMAND:

When applying for non-potable CAP water service, the customer shall specify the maximum annual quantity of CAP water in acre feet (AF) that it intends to use under this tariff schedule and pursuant to a Non-Potable Water Facilities Contribution Agreement. This quantity of water will be used to determine the facilities required to serve the customer and will be the customer's maximum demand for non-potable CAP water ("CAP Demand") during any calendar year. The customer will be responsible for both the deferred (including holding costs) and the current annual CAWCD M&I Water Service Capital Charges on the CAP Demand and on any water use in excess of the CAP Demand.

The customer will contribute the funds required to install all facilities needed to provide CAP water. Such facilities will be owned by the Company.

The Deferred CAP Demand Charge includes the deferred annual CAWCD M&I Water Service Capital Charges and associated holding costs for the customer's CAP Demand. The Deferred CAP Demand Charge is payable prior to the start of service or within fifteen (15) days of any approved increase in CAP Demand. The Deferred CAP Demand Charge will be payable only on any future increase in CAP Demand for those customers receiving service under this tariff as of the effective date. The Deferred CAP Demand Charge is not refundable if the customer's CAP Demand is later reduced.



Effective 12/01/2005  
Revised 3/15/99  
Revised 1/18/95  
Revised 1/15/99  
Revised 11/21/05

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MONTHLY BILL:

The monthly billing will consist of the following components:

1. A monthly CAP Demand charge equal to 1/12th of the customer's CAP Demand in AF times the applicable CAWCD M&I Water Service Capital Charge per AF. Should the customer's actual water use exceed the customer's CAP Demand, the customer will be billed an additional demand charge, based on the applicable CAWCD M&I Water Service Capital Charge, on the excess water use.

2. A commodity charge designed to pass on all costs of non-potable CAP water, except the monthly CAP Demand charge, as billed to the Company during the previous month by the CAWCD or any other authorized governmental agency.

3. A power and maintenance charge based on the specific requirements of each customer.

A. The power component will be the direct and separately metered cost of the power billed to the Company during the previous month for CAP water delivered to the customer. If multiple customers are being served by common facilities, the power component will be prorated based on CAP water actually used during the month by each customer.

B. The maintenance component will be the actual costs of maintaining, repairing, and replacing the facilities required to serve the customer, plus a ten percent (10%) charge to provide for overhead and margin; provided however, that the customer shall not be liable for maintenance, repair, or replacement charges, when the damage or injuries to the CAP facilities are a result in the failure of the Company to operate the facilities or install protective devices in accordance with customary or sound construction and engineering practices. If multiple customers are being served by common facilities, the maintenance component will be prorated based on each customer's CAP Demand. The customer shall be responsible for the repair or replacement of the meter. However, the repair charges, during a single maintenance event, shall not exceed the current replacement cost of the item under repair.

C. A fixed administrative cost of fifty dollars (\$50) per month.

**Late Charge:** Any payment not received within fifteen (15) days from the postmark date of the bill will be delinquent and subject to a late charge of one and one-half percent (1 1/2%) per month.

**Adjustment:** An adjustment for state and local taxes, which will be the applicable proportionate part of any taxes or governmental impositions which are, or in the future may be, assessed on the basis of the gross revenues of the Company and/or the price or revenue from the water or service sold and/or the volume of water pumped or purchased for sale and/or sold hereunder. In the event of any increase or decrease in taxes or other governmental impositions, rates shall be adjusted to reflect such tax increase or decrease.

TERMS AND CONDITIONS:

Subject to the Company's Tariff Schedule TC-243.

APPROVED FOR FILING  
DECISION #: 68362

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