

TARIFF SCHEDULE

ORIGINAL

ARIZONA WATER COMPANY

Phoenix, Arizona

Filed by: James R. Livingston
Title: President
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WATER AVAILABILITY FEE

PURPOSE:

The Arizona Department of Water Resources ("ADWR") requires developers of new subdivisions within Active Management Areas to obtain a Certificate of Assured Water Supply as a condition to approval and platting of their subdivisions when the municipal provider has not been designated as having an assured water supply. A developer must prove that sufficient long-term water supplies will be physically available for its subdivision as one requirement of obtaining a Certificate of Assured Water Supply. The Water Availability Fee enables the Company to contractually, or otherwise, arrange for a portion of its water supply to be physically available on a long-term basis as required by ADWR as a condition to issuing a Certificate of Assured Water Supply for a specific subdivision. The cost of additional, long-term, water supplies will be recovered from developers of new subdivisions rather than current ratepayers.

APPLICABILITY:

The Water Availability Fee applies to all new subdivisions to be served by Arizona Water Company (the "Company") within its Apache Junction service area, excluding only those subdivisions within or to be annexed by the City of Mesa which are excluded from this tariff because they are required to pay a similar fee as part of the City of Mesa's permitting process. The City of Mesa, in consideration of this payment, will provide renewable supplies for these subdivisions by committing a portion of its CAP water and treatment plant capacity to the Company for service to these subdivisions.

FEE:

The current Water Availability Fee is \$1,350 per acre foot.

CONDITIONS:

1. A developer requiring a Certificate of Assured Water Supply will be required to enter into a Water Availability Agreement with the Company and pay the total Water Availability Fee required for the developer's subdivision.
2. The amount of the total Water Availability Fee will be computed by multiplying the Projected Annual Water Demand, in acre feet, for the developer's subdivision, as determined by ADWR, by the per acre foot Water Availability Fee.
3. Payment of the total Water Availability Fee by the developer is a condition of service and is in addition to any advance and contribution required under a Main Extension Agreement.
4. The Water Availability Agreement must be executed and the total Water Availability Fee paid prior to the Company issuing its Notice of Intent to Serve letter for the developer's subdivision.

APPROVED FOR FILING

DECISION #: 61129