

ORIGINAL

TARIFF SCHEDULE

ARIZONA WATER COMPANY

Phoenix, Arizona

Filed by: William M. Garfield

Title: President

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A.C.C. No. 468

Canceling A.C.C. No. 442

Tariff or Schedule No. MA-262

Filed: November 30, 2005

Effective: December 1, 2005

System: **BISBEE, SIERRA VISTA, MIAMI, SAN MANUEL, ORACLE, WINKELMAN, SUPERIOR, TIERRA GRANDE (CASA GRANDE), STANFIELD, WHITE TANK, AJO, COOLIDGE, VALLEY VISTA (SEDONA), PINEWOOD, RIMROCK, OVERGAARD, LAKESIDE, PINETOP LAKES (LAKESIDE).**

MONITORING ASSISTANCE PROGRAM SURCHARGE

PURPOSE:

Under the provisions of A.R.S. §49-360, beginning January 1, 1999 all water systems in Arizona serving 10,000 or fewer persons shall participate in a Monitoring Assistance Program (MAP). The Arizona Department of Environmental Quality (the "ADEQ") has promulgated extensive regulations for the implementation of the MAP, which regulations are codified at Title 18, Chapter 4 of the Arizona Administrative Code. The purpose of this surcharge is to recover the annual change in testing and noticing costs resulting from compliance with the MAP over a twelve-month period through a separately stated fee on each customer's monthly bill.

APPLICABILITY:

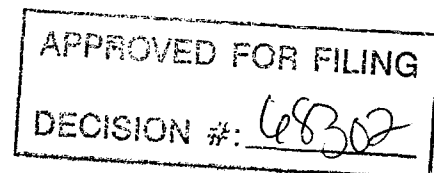
The monthly surcharge will apply to all metered customers in the Company's ADEQ water systems that are required to participate in the MAP program. Initially, the eighteen ADEQ water systems listed above serve 10,000 or fewer persons and must participate in the MAP. The Apache Junction, Casa Grande and Sedona water systems are not required to participate in the MAP because they each serve more than 10,000 persons.

MONTHLY SURCHARGE OR CREDIT:

The Company will recover the increased testing costs resulting from compliance with the MAP through a separately stated fee on each customer's monthly bill computed in an annual surcharge calculation filing with the Arizona Corporation Commission.

At least two months prior to the end of the first and each subsequent twelve (12) month surcharge period, the Company will file a revised surcharge calculation for each water system required to participate in the MAP program with the Director of the Utilities Division so that Staff can review the proposed true-up. The filing will be based on the new MAP costs invoiced, the annual noticing cost, and the estimated over or under collection for the current surcharge period and the estimated average number of meters to be billed. Unless the Commission adjusts or denies the surcharge or determines that further investigation of the surcharge true-up is required, the revised per meter surcharge will become effective on the first of the month following the end of the then current surcharge period.

A copy of the surcharge calculations for each water system will be available for public inspection at each of the company's offices throughout Arizona.



Effective: 12/01/2005
Revised: 11/30/2005