

NEW APPLICATION



0000036188

Forty Niner Water Company
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April 12, 2001

Arizona Corporation Commission
Docket Control
1200 West Washington Street
Phoenix, Arizona 85007

W-01777A-01-0315

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AZ CORP COMMISSION

Re: Request for Tariff Filing
Curtailment Plan for Forty Niner Water Company

Dear Sir/Madam:

Enclosed for filing is a Curtailment Tariff for Forty Niner Water Company. We request the Tariff be made effective as soon as administratively possible.

Forty Niner Water Company needs to implement a curtailment plan for its water system. The Water Company has five wells and serves 376 connections, 374 of which are currently active. Three non potable wells serve the golf course as well as seven residential customers for irrigation purposes only. The seven connections include two (2) meters that belong to Pima County, which use approximately 4,000 gallon per month combined and five (5) residential customers that use approximately 78,000 gallon per month (low usage) and as much as approximately 321,000 gallon per month (high usage). The residential customers on this system each have two meters. One meter, for irrigation from the golf course wells, and one meter for their residential usage that is supplied by the remaining two of the five wells.

The average usage for the remaining water customers is approximately 38,340 gallon/month, and are served by the remaining two wells.

Due to the dry winters over the past few years in the Tucson area, Forty Niner Water Company is experiencing difficulty in keeping up with the demand due to the high usage of its customers. In the past few weeks it has become necessary to connect to an alternate source of water due to the excessiveness of customer usage even though the customers were made aware of the water supply problem and were asked for voluntary conservation. This was accomplished by tapping into the City of Tucson Water.

However, this is not cost effective and should not be considered something that could be a long term fix, as the City's commercial rate is far above our tariff rate.

In order to inform you as to the events over the past few months and give you a system overview we offer the following information:

Water System:

- Domestic - 2 Wells feed 300,000 gallon storage tank. Boosters pressurize system from storage.
- Golf Course - (customer)
3 Non Potable Wells feed into their lake storage system. 7 Customers connected for irrigation water. These customers will soon be moved to the domestic system.

On June 16, 2000 demand on the domestic water system exceeded the pumping and storage capacity. The system automatically shut down. A letter declaring a water emergency was delivered door to door. The water was off intermittently from 11 a.m. to approximately 2 a.m. June 17, 2000. Usage at that time was approximately 1278 gallons per day per residence (not including irrigation meters connected to the golf course system).

The first week of the problem the usage reduced to 920 gallons/day/residence.

The second week, June 7 through June 14, 2000 demand was 1045 gallons/day/residence.

Well pumping capacity has continued to decline and is now at approximately 30% of normal capacity. (Approx. 432,000 gallon/day or 1200 gallons/day/residence at present).

July 10, 2000 demand again exceeded pumping capacity. Tucson Water source was turned on. July 11 our system was turned back on so the system could complete copper lead testing on our source water.

July 14, 2000 demand exceeded pumping capacity. Again we turned on Tucson Water source and it remained on from July 10, 2000 through September 21, 2000. Average usage since July 10, 2000, has been 1100 gallons/day/residence.

Forty Niner Water Company is concerned that the system will continue to shut down and run out of water if a curtailment plan is not put into place.

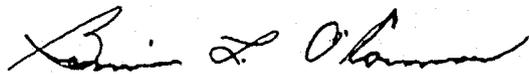
We have requested that customers voluntarily conserve water usage on two occasions this summer. This only works for a short period of time and then usage goes back up.

If a curtailment plan was in place, Forty Niner Water Company would have some recourse to penalize the excessive users.

Therefore, we respectfully request the enclosed Tariff be put into place as soon as possible.

If you need further information, please call the number listed above.

Very truly yours,



Bonnie L. O'Connor
Southwestern Utility Management, Inc.
for Forty Niner Water Company

Enclosure: Original & 10 Copies - Tariff Curtailment Plan for Forty Niner Water Co.

cc: David Flickwir, Vice President Operations
Shannon Cox

BOC/

c:40x.

Tariff Schedule

Utility: Forty Niner Water Company Tariff Sheet No.: _____
Docket No.: _____ Decision No. _____
Phone No.: _____ Effective: _____

CURTAILMENT PLAN FOR FORTY NINER WATER COMPANY

The Company is authorized to curtail water service, to all customers, residential and commercial, within its certificated area under the following terms and conditions:

Stage 1 Exists When:

- a. The Company is able to maintain water storage in the system at 100 % of capacity and there are no known problems with ~~its~~ its well production or water storage in the system.

Restrictions: Under Stage 1, the Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

Stage 2 Exists When:

- a. The Company's total storage and well production has been less than 80 % of capacity for at least 48 consecutive hours, and
- b. The Company has identified issues such as steadily declining water table, an increased draw-down threatening pump operations, poor water production creating a reasonable belief the Company will be unable to meet anticipated water demands in the system.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 %. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.

Stage 3 Exists When:

- a. The Company's total storage and well production has been less than 50 % for at least 24 consecutive hours. The Company has identified issues such as a steadily declining water table, and increased draw down threatening pump operations creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis. The Company must rely on an emergency connection with the City of Tucson to augment the minimum needs of the customers. (The additional costs of the emergency supply will be passed through to the customer.)

Restrictions: Under Stage 3, the Company shall request the customers to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 %. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed wherever possible.

Notice Requirements: a. The Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the company's option, both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.

b. Beginning with Stage 3, the Company shall post at least two signs showing curtailment stage. Signs shall be posted at the well site and at the entrance to the major subdivision served by the Company.

c. The Company shall notify the Consumer Services Unit of the Utilities Division of the Commission at least 12 hours prior to entering Stage 3.

Stage 4 Exists When:

- a. The Company's total storage has been less than 25 % for at least 12 consecutive hours. The Company has identified issues such as a steadily declining water table, and increased draw down threatening pump operations creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis. The Company must rely on an emergency connection with the City of Tucson to augment the minimum needs of the customers. (The additional costs of the emergency supply will be passed through to the customer.)

Restrictions: Under Stage 4, the Company shall inform the customers of a mandatory restriction to employ water conservation measures to reduce daily consumption. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed wherever possible. Failure to comply will result in temporary disconnection.

Notice Requirements: a. The Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the company's option, both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.

b. The Company shall have posted at least two signs showing curtailment stage. Signs shall be posted at the well site and at the entrance to the major subdivision served by the Company.

c. The Company shall notify the Consumer Services Unit of the Utilities Division of the Commission at least 12 hours prior to entering Stage 4.

d. Customers who fail to comply with cessation of outdoor use provisions will be given a written notice to end all outside use. Failure to comply within two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outside water. To restore service, the customer shall be required to pay all authorized reconnection fees.