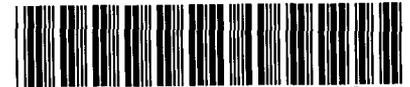


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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

JEFF HATCH-MILLER - CHAIRMAN  
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2005 NOV 14 P 4:40

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF  
CAVE CREEK WATER COMPANY FOR  
APPROVAL OF AN EXTENSION OF THEIR  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO INCLUDE PARCEL NO. 216-29-  
002A.

) DOCKET NO. W-01452A-05-0082

IN THE MATTER OF THE APPLICATION OF  
CAVE CREEK WATER COMPANY FOR  
APPROVAL OF AN EXTENSION OF THEIR  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO INCLUDE PARCEL NO. 211-99-  
006.

) DOCKET NO. W-01452A-04-0810

**NOTICE OF FILING CURTAILMENT TARIFF  
IN COMPLIANCE WITH DECISION NO. 68190**

Cave Creek Water Company, through undersigned counsel, files the attached Curtailment  
Tariff in compliance with Decision No. 68190.

RESPECTFULLY SUBMITTED this 14<sup>th</sup> day of November 2005.

ROSHKA DEWULF & PATTEN, PLC

By 

Michael W. Patten  
One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004  
Attorneys for Cave Creek Water Company

Original and 15 copies of the foregoing  
filed this 14<sup>th</sup> day of November 2005 with:

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

**ROSHKA DEWULF & PATTEN, PLC**  
ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

1 Copy of the foregoing hand-delivered/mailed  
2 this 14<sup>th</sup> day of November 2005 to:

3 Lyn A. Farmer, Esq.  
4 Chief Administrative Law Judge  
5 Hearing Division  
6 Arizona Corporation Commission  
7 1200 West Washington Street  
8 Phoenix, Arizona 85007

9 Christopher C. Kempley, Esq.  
10 Chief Counsel, Legal Division  
11 Arizona Corporation Commission  
12 1200 West Washington Street  
13 Phoenix, Arizona 85007

14 Ernest G. Johnson  
15 Director, Utilities Division  
16 Arizona Corporation Commission  
17 1200 West Washington Street  
18 Phoenix, Arizona 85007

19 Kristin Magin  
20 Salmon, Lewis & Weldon, P.L.C.  
21 2850 East Camelback Road, Suite 200  
22 Phoenix, Arizona 85016

23 Stephen J. Anthony  
24 Sacks Tierney, P.A.  
25 4250 North Drinkwater Boulevard, 4<sup>th</sup> Floor  
26 Scottsdale, Arizona 85251  
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22 By *Mary Appolito*  
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The Arizona Corporation Commission requires each Public Water System to develop, promulgate and maintain a curtailment tariff that details the actions the Utility will undertake in the event of a water shortage. Each customer is entitled to receive a copy of this tariff.

**CURTAILMENT PLAN FOR CAVE CREEK WATER COMPANY (CCWC)**

ADEQ Public Water System No: 07-016

**Cave Creek Water Company** ("Company", or "CCWC") is authorized to curtail water service to all customers within its certificated area under the terms and conditions listed in this tariff.

The purpose of the curtailment tariff is to preserve water for the production of potable water, and reduce in a graduated fashion discretionary use of water.

This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of the tariff or no later than sixty (60) days after the effective date of the tariff.

The Company shall provide a copy of the curtailment tariff to any customer, upon request.

**Definitions**

*Potable Water* is water delivered to the potable distribution system from the Company's water treatment facilities.

*Raw Water* is surface water supplied by the Central Arizona Project and ground water supplied from wells owned by the Company that also supply the potable system. This water has not been passed through the Company's water treatment facilities.

**Stage 1 Exists When:**

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its potable water production or water storage systems.

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. Company's water storage or potable water production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 2, the Company may request customers to voluntarily employ water conservation measures to reduce water consumption by approximately 25 percent of Stage 1 Consumption. 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.

The Company shall implement restrictions on the discretionary use of water including:

- i. Potable or Raw Water supply to any hydrant meter, recreational impoundment, lake or irrigation impoundment shall be provided at the sole discretion of the Company and may completely curtailed; and
- ii. No new hydrant, HOA or landscape irrigation meters employing potable or raw water will be deployed.

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. Company's total water storage or potable water production has been less than 50 percent of capacity for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions:

Under Stage 3, Company shall inform the customers of a **mandatory** restriction and of the requirement to employ water conservation measures to reduce daily consumption by approximately 50 percent of Stage 1 Consumption. All outside watering shall be eliminated, except livestock, and indoor water conservation techniques shall be employed whenever possible. Standpipe service shall be suspended.

The Company shall implement restrictions on the discretionary use of water including:

- i. Construction water will be curtailed by locking of hydrant meters. No new hydrant meters shall be deployed;
- ii. Potable or Raw Water supply to any recreational impoundment or irrigation impoundment will be curtailed. The Company will isolate and lock all irrigation meters from the raw/potable supply system.

Notice Requirements:

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.

1. Beginning with Stage 3, Company shall post signs showing the curtailment stage at all well sites, tank sites and other Company-owned facilities. In addition, signs shall be posted at the entrance to major subdivisions served by the Company.
2. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.

Stage 4 Exists When:

- a. Company's total water storage or potable water production has been less than 25 percent of capacity for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions:

Under Stage 4, Company shall inform the customers of a **mandatory** restriction and of the requirement to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection.

The following uses of water shall be prohibited<sup>1</sup>:

- i. Irrigation of golf courses, outdoor lawns, trees, shrubs, or any plant life with potable or raw water is prohibited;
- ii. No irrigation water will be provided by the Company (Company staff will isolate and lock all HOA meters from the potable distribution system). No potable or raw water will be delivered to any irrigation or recreational impoundment;
- iii. Washing of any vehicle with raw or potable water is prohibited;
- iv. The use of raw or potable water for dust control or any outdoor cleaning uses is prohibited;
- v. The use of drip or misting systems for outside irrigation or cooling systems employing raw or potable water of any kind is prohibited;
- vi. The filling of any swimming pool, spas, fountains or ornamental pools is prohibited;
- vii. The use of raw or potable water for construction water is prohibited. No construction water will be provided by Company (Company staff will isolate and lock all hydrant meters);
- viii. Restaurant patrons shall be served water only upon request;
- ix. Any other potable or raw water-intensive-activity for outside-use is prohibited;
- x. Any standpipe operations are prohibited;
- xi. The addition of new service lines and meter installations is prohibited.

Notice Requirements:

1. 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.

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<sup>1</sup> Fire suppression systems are specifically exempt from any curtailment.

2. Company shall post signs showing the curtailment stage at all well sites, tank sites and other Company-owned facilities. In addition, signs shall be posted at the entrance to major subdivisions served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

Customers who fail to comply with the above restrictions will be given a written notice to end all outdoor 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 outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.

**Exemptions and Appeals**

Reductions in water usage under Stages 2 through 4 do not apply to water directly used for public health and safety purposes.

A customer may apply for an exemption from the water usage restrictions by submitting a written request to the Company within ten days of the notice of curtailment. Upon review, the Company will make a final decision whether the customers request has been granted.