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BEFORE THE ARIZONA CORPORATION COMMISSION

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2006 FEB -2 P 4: 22

AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS SUN CITY WEST WATER AND WASTEWATER DISTRICTS.

DOCKET NO. WS-01303A-02-0867

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS SUN CITY WATER AND WASTEWATER DISTRICTS.

DOCKET NO. W-1303A-02-0868
S

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS MOHAVE WATER DISTRICT AND ITS HAVASU WATER DISTRICT

DOCKET NO. W-1303A-02-0869
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ARIZONA-AMERICAN WATER'S
NOTICE OF FILING

Arizona Corporation Commission
DOCKETED

FEB 02 2006

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IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM WATER DISTRICT, ITS AGUA FRIA WATER DISTRICT, AND ITS ANTHEM/AGUA FRIA WASTEWATER DISTRICT.

DOCKET NO. WS-01303A-02-0870

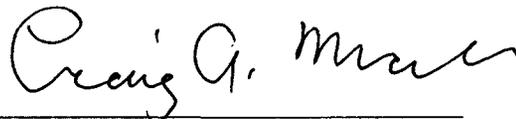
IN THE MATTER OF THE APPLICATION OF ARIZONA - AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS TUBAC WATER DISTRICT.

DOCKET NO. W-01303A-02-0908

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**ARIZONA-AMERICAN WATER COMPANY'S
NOTICE OF FILING
2005 UNACCOUNTED-FOR WATER REPORT**

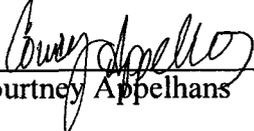
6 Arizona-American Water Company hereby files a report for calendar-year 2005 concerning
7 unaccounted-for water for four of its public water systems in Mohave County: Havasu Water; Lake
8 Mohave Highlands; Desert Foothills; and Mohave-Main.

9 **RESPECTIVELY SUBMITTED** on February 2, 2006.

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Operations

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January 30, 2006

RE: Unaccounted for Water – Arizona American Water – Calendar Year 2005
(Docket No. W-01303A-02-0869)

Dear Mr. Johnson:

In compliance with Arizona American Water's last Rate Order (Decision No. 67093), the attached spreadsheet documents unaccounted for water (for calendar year 2005) in four separate public water systems: Havasu Water, Lake Mohave Highlands, Desert Foothills, and Mohave–Main. In general, when compared to 2004, combined unaccounted for water in these systems trended down in 2005. The monthly numbers for the last six months of 2005 are sometimes negative due to the timing of consumption billing and actual production in relationship to the monthly financial close dates.

Arizona American Water is committed to reducing unaccounted for water in all its systems in 2006, and will particularly direct its attention to Havasu and Desert Foothills.

If you have any additional questions about unaccounted for water, please give me a call at (623) 815-3125.

Sincerely,



Brian K. Biesemeyer
Arizona Network General Manager

Enc.

cc: Tom Broderick – AAW
Craig Marks, Esq. – AAW

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Mohave Lost Water
2005

| HAVASU 2005 LOST WATER (KGALS) | | 08-015 | | | | | | | | | | | | Rts. 2201-2206 | | | |
|--------------------------------|--|----------|----------|------------|------------|----------|-----------|-----------|----------|-----------|----------|----------|----------|----------------|---------|------|------|
| | | Jan 2005 | Feb 2005 | March 2005 | April 2005 | May 2005 | June 2005 | July 2005 | Aug 2005 | Sept 2005 | Oct 2005 | Nov 2005 | Dec 2005 | 2005 | 2005 | 2005 | 2005 |
| Production | | 22,125 | 14,340 | 17,073 | 17,086 | 20,653 | 27,868 | 25,522 | 22,876 | 31,081 | 24,850 | 21,231 | 21,231 | 251,885 | 251,885 | | |
| Consumption | | 12,850 | 12,020 | 11,082 | 11,067 | 10,050 | 14,965 | 19,786 | 23,923 | 23,927 | 15,928 | 25,345 | 25,345 | 209,616 | 209,616 | | |
| Unaccounted | | 9,175 | 2,320 | 5,991 | -1,576 | 4,903 | 12,903 | 6,736 | -147 | 7,279 | 23,197 | -10,049 | -4,114 | 42,179 | 42,179 | | |
| Percent L&U | | 41.47% | 16.16% | 35.06% | -9.21% | 23.40% | 46.30% | 26.40% | -0.64% | 23.42% | 7.03% | -170.90% | -19.36% | 16.74% | 16.74% | | |

| Mohave Main 2005 LOST WATER (KGALS) | | 08-032 | | | | | | | | | | | | Rts. 1002-1042, 1046-1082, 1081-1083, 1089, 1089, 1101-1130, 1200 | | | |
|-------------------------------------|--|----------|----------|------------|------------|----------|-----------|-----------|----------|-----------|----------|----------|----------|---|-----------|------|--|
| | | Jan 2005 | Feb 2005 | March 2005 | April 2005 | May 2005 | June 2005 | July 2005 | Aug 2005 | Sept 2005 | Oct 2005 | Nov 2005 | Dec 2005 | 2005 | 2005 | 2005 | |
| Production | | 197,477 | 121,307 | 180,086 | 147,887 | 181,257 | 236,718 | 205,541 | 187,040 | 247,278 | 181,528 | 156,987 | 91,257 | 2,097,341 | 2,097,341 | | |
| Consumption | | 163,637 | 110,764 | 113,686 | 122,321 | 151,238 | 183,948 | 190,837 | 200,882 | 209,032 | 201,040 | 143,036 | 97,589 | 1,887,688 | 1,887,688 | | |
| Unaccounted | | 33,840 | 10,553 | 66,401 | 25,566 | 10,019 | 52,770 | 14,904 | -13,842 | 38,246 | -19,512 | 13,951 | -6,332 | 209,653 | 209,653 | | |
| Percent L&U | | 17.18% | 8.70% | 28.88% | 17.26% | 6.21% | 23.26% | 7.25% | -7.40% | 15.47% | -10.75% | 8.88% | -6.94% | 10.00% | 10.00% | | |

| Lake Mohave Highlands 2005 LOST WATER (KGal) 08-062 | | Rts. 1001 | | | | | | | | | | | | | |
|---|--|-----------|----------|------------|------------|----------|-----------|-----------|----------|-----------|----------|----------|----------|--------|--------|
| | | Jan 2005 | Feb 2005 | March 2005 | April 2005 | May 2005 | June 2005 | July 2005 | Aug 2005 | Sept 2005 | Oct 2005 | Nov 2005 | Dec 2005 | 2005 | 2005 |
| Production | | 2,304 | 1,396 | 1,684 | 1,830 | 2,010 | 3,001 | 2,772 | 2,164 | 2,899 | 1,701 | 1,632 | 1,060 | 24,483 | 24,483 |
| Consumption | | 1,317 | 1,068 | 1,298 | 1,232 | 1,680 | 2,377 | 2,442 | 2,760 | 2,750 | 2,399 | 1,837 | 1,719 | 23,465 | 23,465 |
| Unaccounted | | 982 | 79 | 386 | 271 | 330 | 624 | 330 | -596 | 149 | -688 | -205 | -829 | 1,033 | 1,033 |
| Percent L&U | | 42.62% | 5.68% | 22.92% | 14.81% | 16.42% | 20.79% | 11.92% | -27.54% | 5.14% | -40.45% | -12.56% | -57.71% | 4.22% | 4.22% |

| Desert Foothills 2005 LOST WATER (KGALS) | | 08-137 | | | | | | | | | | | | Rts. 1131-1137 | | | |
|--|--|----------|----------|------------|------------|----------|-----------|-----------|----------|-----------|----------|----------|----------|----------------|---------|------|--|
| | | Jan 2005 | Feb 2005 | March 2005 | April 2005 | May 2005 | June 2005 | July 2005 | Aug 2005 | Sept 2005 | Oct 2005 | Nov 2005 | Dec 2005 | 2005 | 2005 | 2005 | |
| Production | | 12,157 | 7,884 | 9,354 | 10,233 | 10,237 | 15,770 | 14,387 | 15,016 | 19,834 | 16,087 | 13,465 | 6,571 | 152,938 | 152,938 | | |
| Consumption | | 6,808 | 6,637 | 12,474 | 141 | 7,688 | 22,309 | 183 | 14,068 | 18,738 | 14,875 | 14,868 | 46 | 119,191 | 119,191 | | |
| Unaccounted | | 5,349 | 1,227 | -3,140 | 10,092 | 2,251 | -6,539 | 14,174 | 921 | 1,098 | 1,212 | -1,423 | 8,525 | 33,747 | 33,747 | | |
| Percent L&U | | 44.00% | 15.80% | -33.84% | 98.62% | 21.98% | -41.49% | 98.86% | 6.13% | 5.54% | 7.53% | -10.57% | 98.46% | 22.07% | 22.07% | | |

| 2003 Total | |
|------------|-----------|
| 2003 | 2,284,529 |
| LOST WATER | 1,963,177 |
| | 321,352 |
| | 14.07% |

| 2004 Total | |
|------------|-----------|
| 2004 | 2,487,448 |
| LOST WATER | 2,152,772 |
| | 314,676 |
| | 12.75% |

| OVERALL TOTAL BY SYSTEM - 2005 | | | | | | | | |
|--------------------------------|-----------|--------|---------|-----------|------|------|------|------------|
| HAVASU | MOHAVE | LMH | DPE | 2005 | 2005 | 2005 | 2005 | LOST WATER |
| 251,995 | 2,097,341 | 24,483 | 152,938 | 2,528,757 | | | | |
| 209,816 | 1,887,688 | 23,465 | 119,191 | 2,240,155 | | | | |
| 42,179 | 209,643 | 1,033 | 33,747 | 298,802 | | | | |
| 16.74% | 10.00% | 4.22% | 22.07% | 11.34% | | | | |

*Yr End Close for 2004 was Dec 10, 2004
 **Yr End Close for 2005 was Dec 08, 2005
 ***December Adjustment made for Havasu - Well #9 production mtr/est. due to broken meter
 ****Lake Mohave Highlands October Consumption Adjusted due to previous month water consumption error in a company account.
 *****During a quality review, an error was detected in April 2005 for the Havasu System. The error has been corrected.