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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION
OF ARIZONA WATER COMPANY, AN
ARIZONA CORPORATION, FOR
ADJUSTMENTS TO ITS RATES AND
CHARGES FOR UTILITY SERVICE
FURNISHED BY ITS WESTERN GROUP
AND FOR CERTAIN RELATED
APPROVALS.

Docket No. W-01445A-04-0650

**CERTIFICATE OF FILING
REVISED TARIFF**

Decision No. 68302 of the Arizona Corporation Commission entered on November 14, 2005 in the above-captioned matter directed, among other things, that Arizona Water Company (the "Company") file with the Commission revised schedules of rates and charges consistent with Exhibit G and the discussion in said Decision. On November 30, 2005 the Company filed schedules of rates and charges as directed. However, with respect to its Tariff No. NP-274, Staff has reviewed the Tariff and suggested certain changes that the Company has adopted. The attached revised Tariff NP-274 includes the Staff requested changes.

IT IS HEREBY CERTIFIED THAT on the 9th day of February, 2006 the Company filed with the Arizona Corporation Commission, Docket Control Division, at its main office

1 located at 1200 West Washington Street, Phoenix, Arizona, an original and thirteen (13) copies
2 of its revised Tariff No. NP-274 (Non-Potable Central Arizona Project Water) for its Apache
3 Junction, Casa Grande, Coolidge and White Tank systems.

4 RESPECTFULLY SUBMITTED this 9th day of February, 2006.

5 **ARIZONA WATER COMPANY**

6
7 By: Robert W. Geake

8 Robert W. Geake
9 Vice President and General Counsel
10 Arizona Water Company
11 P. O. Box 29006
12 Phoenix, AZ 85038
13 Attorney for Applicant

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1 AN ORIGINAL and thirteen (13) copies of the
2 foregoing filed this 9th day of February 2006 with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 W. Washington
6 Phoenix, AZ 85007

7 And copies of the foregoing,
8 mailed/delivered this 9th day of February 2006 to:

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WATER RATES

ARIZONA WATER COMPANY

Phoenix, Arizona

Filed by: William M. Garfield

Title: President

Date of Original Filing: March 7, 1994

System: APACHE JUNCTION, CASA GRANDE, COOLIDGE,
WHITE TANK

A.C.C. No. 470

Cancelling A.C.C. No. 463

Tariff or Schedule No. NP-274

Filed: November 30, 2005

Effective: December 1, 2005

NON-POTABLE CENTRAL ARIZONA PROJECT WATER

AVAILABILITY:

In the Company's Apache Junction, Casa Grande, Coolidge, and White Tank water systems, where and when Central Arizona Project ("CAP") water is available.

SUITABILITY:

It is the customer's responsibility to determine the initial and continuing suitability of the non-potable CAP water furnished under this tariff for any intended uses. The Company does not treat, test or monitor non-potable CAP water and furnishes it to customers strictly on an "as received" basis from the Central Arizona Water Conservation District ("CAWCD"). The customer agrees to accept non-potable CAP water "as received." Compliance with any requirement of the Arizona Department of Environmental Quality, or any other agency having jurisdiction, concerning the use or quality of non-potable CAP water shall be the sole responsibility of the customer. The Company will not be liable for, and the customer will hold harmless, indemnify and defend the Company against, any injuries or damages arising from its service of non-potable CAP water.

FACILITIES AND DEMAND:

When applying for non-potable CAP water service, the customer shall specify the maximum annual quantity of CAP water in acre feet (AF) that it intends to use under this tariff schedule and pursuant to a Non-Potable Water Facilities Contribution Agreement. This quantity of water will be used to determine the facilities required to serve the customer and will be the customer's maximum demand for non-potable CAP water ("CAP Demand") during any calendar year. The customer will be responsible for both the deferred (including holding costs) and the current annual CAWCD M&I Water Service Capital Charges on the CAP Demand and on any water use in excess of the CAP Demand.

The customer will contribute the funds required to install all facilities needed to provide CAP water. Such facilities will be owned by the Company.

The Deferred CAP Demand Charge includes the deferred annual CAWCD M&I Water Service Capital Charges and associated holding costs for the customer's CAP Demand. The Deferred CAP Demand Charge is payable prior to the start of service or within fifteen (15) days of any approved increase in CAP Demand. The Deferred CAP Demand Charge will be payable only on any future increase in CAP Demand for those customers receiving service under this tariff as of the effective date. The Deferred CAP Demand Charge is not refundable if the customer's CAP Demand is later reduced.

Effective 12/01/2005
Revised 3/15/99
Revised 1/18/95
Revised 1/15/99
Revised 11/21/05

NON-POTABLE CENTRAL ARIZONA PROJECT WATER - continued

MONTHLY BILL:

The monthly billing will consist of the following components:

1. A monthly CAP Demand charge equal to 1/12th of the customer's CAP Demand in AF times the applicable CAWCD M&I Water Service Capital Charge per AF. Should the customer's actual water use exceed the customer's CAP Demand, the customer will be billed an additional demand charge, based on the applicable CAWCD M&I Water Service Capital Charge, on the excess water use.

2. A commodity charge designed to pass on all costs of non-potable CAP water, except the monthly CAP Demand charge, as billed to the Company during the previous month by the CAWCD or any other authorized governmental agency.

3. A power and maintenance charge based on the specific requirements of each customer.

A. The power component will be the direct and separately metered cost of the power billed to the Company during the previous month for CAP water delivered to the customer. If multiple customers are being served by common facilities, the power component will be prorated based on CAP water actually used during the month by each customer.

B. The maintenance component will be the actual costs of maintaining, repairing, and replacing the facilities required to serve the customer, plus a ten percent (10%) charge to provide for overhead and margin; provided however, that the customer shall not be liable for maintenance, repair, or replacement charges, when the damage or injuries to the CAP facilities are a result in the failure of the Company to operate the facilities or install protective devices in accordance with customary or sound construction and engineering practices. If multiple customers are being served by common facilities, the maintenance component will be prorated based on each customer's CAP Demand. The customer shall be responsible for the repair or replacement of the meter. However, the repair charges, during a single maintenance event, shall not exceed the current replacement cost of the item under repair.

C. A fixed administrative cost of fifty dollars (\$50) per month.

Late Charge: Any payment not received within fifteen (15) days from the postmark date of the bill will be delinquent and subject to a late charge of one and one-half percent (1 1/2%) per month.

Adjustment: An adjustment for state and local taxes, which will be the applicable proportionate part of any taxes or governmental impositions which are, or in the future may be, assessed on the basis of the gross revenues of the Company and/or the price or revenue from the water or service sold and/or the volume of water pumped or purchased for sale and/or sold hereunder. In the event of any increase or decrease in taxes or other governmental impositions, rates shall be adjusted to reflect such tax increase or decrease.

TERMS AND CONDITIONS:

Subject to the Company's Tariff Schedule TC-243.

Effective 12/01/2005
Revised 3/15/99
Revised 1/18/95
Revised 1/15/99
Revised 11/21/05