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May 4, 2006

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

RECEIVED
MAY - 4 P 1:00
CORP COMMISSION
DOCUMENT CONTROL

Re: Valley Utilities Water Company, Inc.; Docket Nos. W-01412A-04-0736 & W-01412A-04-0849; Decision No. 68309; Tariff Filing Compliance

Dear Ms. Ryan:

On November 30, 2005 the Company filed a Tariff in compliance with the subject Decision. That Tariff included a Curtailment Plan in what was then the Staff's recommended format. We were recently advised by the Engineering Division that they had a revised preferred form.

Enclosed please find 15 copies of revised Sheet Nos. 18 through 23 of that Tariff. The Company has proposed one slight addition to the Tariff under "Stage One, Paragraph 9". The Company proposes adding "and fixtures" to the end of that sentence. This will address not only leaking fittings, but also dripping faucets.

Please have the Commission Staff review this form, and thereafter return one approved copy to the undersigned for distribution to the Company.

In the event you have any questions regarding this matter, please do not hesitate to call.

Sincerely,

Richard L. Sallquist

Enclosures

Ms. Colleen Ryan
May 4, 2006
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Cc: Marlin Scott
Bob Prince

DOCKET W-01412

Cancelling Sheet No.

Applies to all WATER service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

IV. CURTAILMENT PLAN FOR VALLEY UTILITIES WATER
COMPANY.

PWS #07-079

A. APPLICABILITY:

To all customers served by **Valley Utilities Water Company, Inc.** ("Company") where the Company determines that temporary water shortages might lead to water system outages, whether caused by drought, fire or other disaster, diminishing supplies, contamination, equipment failure, increased demands or other causes.

B. PURPOSE:

To implement procedures to cause all customers, regardless of customer class, to reduce water use by compliance with specified water conservation measures and other actions required to reduce each customer's normal water use.

C. NOTICE OF CURTAILMENT IMPLEMENTATION:

The Company will notify customers of the need to curtail water use, the stage of curtailment implemented, and the extent of curtailment required, by using one or more of the most appropriate methods listed below, as determined by the Company:

Issued: May 8, 2006

Effective: June 8, 2006

ISSUED BY:

Robert L. Prince
Valley Utilities Water Company, Inc.
6808 N. Dysart Rd., Suite 112
Glendale, Arizona 85307

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1. A notice published in a local newspaper of general circulation that serves the targeted area.
2. A bill insert or a notice on the customer's monthly bill.
3. Radio and television announcements in the targeted area.
4. Signs, leaflets, or other means of providing public notice as determined by the Company.

The Company will notify the customers when such curtailment is no longer needed.

D. CURTAILMENT STAGES:

Stage One:

Voluntary water use reduction by customers of 25% or less, as specified by the Company, by adhering to the following practices:

1. No washing of streets, sidewalks, driveways, parking lots, service station aprons or other exterior features.
2. No washing of automobiles, trucks, trailers, trailer houses or any type of mobile equipment.
3. Exterior landscape watering not more frequently than once every 2 days.
4. Exterior landscape automatic watering timers reduced from their normal duration setting.
5. No filling of swimming or wading pools.
6. Restaurants to serve drinking water only upon request.
7. Hotels, motels and other temporary lodging facilities to notify their customers that towels and linens will be washed upon request only, and that their water use should be limited.
8. Use of water from fire hydrants only in case of fire.

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9. Do not waste water. *EXAMPLES:* Do not let water run down streets and repair any leaking plumbing fittings and fixtures.
10. Reduce other water uses such that the targeted reduction from the customer's historic water use is achieved.

Stage Two:

Voluntary water use reduction by customers of more than 25%, as specified by the Company, by adhering to the practices listed under Stage One and the following practices:

1. Exterior landscape watering not more frequently than once every 3 days.
2. Exterior landscape automatic watering timers further reduced from their normal duration setting.
3. Reduce other water uses such that the targeted reduction from the customer's historic water use is achieved.
4. No use of construction water services for dust control, soil compaction, or similar purposes, unless required by the Maricopa County Environmental Services Department, the Arizona Department of Environmental Quality, or other agency with jurisdiction over air quality.

Stage Three:

Mandatory water use reduction by customers to a level specified by the Company to meet health and safety requirements, by adhering to the practices listed under Stage One and Stage Two and the following practices:

1. Exterior landscape watering not more frequently than once every 4 days.
 2. Exterior landscape automatic watering timers reduced from their normal duration setting.
 3. Reduce other water uses such that the targeted water use reduction is achieved.
 4. No use of construction water services.
 5. Have on hand a minimum of a 3-day emergency supply of drinking water.
-

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Stage Four:

Mandatory water use reductions by customers, when Stage Three conditions are expected to last longer than two months, by adhering to the practices listed under Stage One through Stage Three, together with the Targeted Water Use Reduction Levels set forth below.

E. EXEMPTIONS AND APPEALS:

Reductions under Stages One, Two, Three and Four do not apply to water directly used for public health and safety purposes.

A customer who wishes an exemption from the targeted water use reduction must submit a written request to the Company within ten days of the Company's notice of curtailment. Following review of the request, the Company will decide whether the targeted water use reduction for that customer should be changed. The Company's decision shall be final.

F. TARGETED WATER USE REDUCTION LEVEL:

All water bills rendered during a Stage Four curtailment will show the customer's targeted water use reduction percentage, together with all other information the Company considers necessary for the customer to achieve the targeted water use reduction level. If the water bill shows that the customer used water above the targeted water use level, the water bill will include a notice to the customer to end all outdoor water use and that failure to comply will result in temporary loss of service. If the customer exceeds the targeted water use level in the following month, the water bill for that month will include a notice to the customer that water service will be terminated for failure to comply with the curtailment procedures imposed by the Company during supply shortages unless the customer agrees to take actions satisfactory to the Company to end unauthorized use of water. A customer's water service will not be terminated for this type of failure to comply without first receiving notice from the Company of its intent to terminate service.

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If a customer does not take corrective actions satisfactory to the Company and water service is subsequently terminated and such customer believes water service was terminated in error, the customer should call the Company's local office to discuss the basis of the Company's termination of water service with a customer service representative or office manager. If a customer believes that water service was terminated improperly, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

G. TERMS AND CONDITIONS:

Any customer whose service is terminated for failure to comply with the specific actions required shall not have service restored until such customer demonstrates compliance with such specific actions, satisfactory to the Company, and pays any past due water charges plus a reconnection charge as provided for in the appropriate tariff schedule.

H. SPECIAL PROVISIONS:

1. This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.
2. 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.
3. The Company shall provide a copy of the curtailment tariff to any customer, upon request.

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4. If curtailment efforts do not reduce water use sufficiently and localized water shortages result, the Company will inform the customers of the availability of alternative water supplies in other areas of the Company's water system or neighboring water systems.

5. The Company shall notify the Consumer Service Section of the Utilities Division of the Arizona Corporation Commission as least twelve (12) hours prior to entering either of curtailment Stages 2, 3, or 4. The notification to the Consumer Service Section shall include the cause, present conditions, and expected duration for the water service curtailment.

V. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company procedures, unless specific Commission Order(s) provide otherwise.

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