

**ORIGINAL  
NEW APPLICATION**



0000060499

**AMERICAN REALTY & MORTGAGE CO., INC**

P.O. BOX 232, WITTMANN, AZ 85361

623-388-2949 Fax No. 623-388-2413

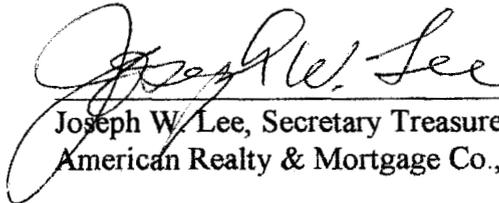
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AZ CORP COMMISSION  
DOCKET CONTROL

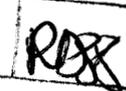
June 1, 2007

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007  
W-02258A-07-0350

Attached is an application by American Realty & Mortgage Co., Inc. for approval of a Curtailment Tariff. The purpose of this tariff is to implement water conservation measures during times of water shortages.

  
\_\_\_\_\_  
Joseph W. Lee, Secretary Treasurer of  
American Realty & Mortgage Co., Inc.

Arizona Corporation Commission  
**DOCKETED**  
JUN 4 2007

DOCKETED BY 

## TARIFF SCHEDULE

Utility: American Realty & Mortgage Co., Inc.  
Docket No.: \_\_\_\_\_  
Phone No.: 623-388-2949

Tariff Sheet No.: 1 of 4  
Decision No.: \_\_\_\_\_  
Effective: June 1, 2007

### CURTAILMENT PLAN FOR Hacienda Acres area (Template 063004)

ADEQ Public Water System No: 11-301

**AMERICAN REALTY & MORTGAGE CO., INC.** ("Company"), is authorized to curtail water service to all customers within its certificated area under the terms and conditions listed in this tariff.

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.

#### **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 well production or water storage in the system.

**Restrictions:** Under Stage 1, 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 well 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 the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. 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.

## TARIFF SCHEDULE

Utility: American Realty & Mortgage Co., Inc.  
Docket No.: \_\_\_\_\_  
Phone No.: 623-388-2949

Tariff Sheet No.: 2 of 4  
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Effective: June 1, 2007

**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 well 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 request the customers to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible. Standpipe service shall be suspended.

### 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.
2. Beginning with Stage 3, Company shall post at least 2 signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and 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 3.

Once Stage 3 has been reached, there shall be no hauling of water as the water company is on the verge of bankruptcy and the back-up well lease was terminated for nonpayment. As there is no other franchised water company within miles. Each customer should take immediate steps to obtain a personal back-up water supply.

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Utility: American Realty & Mortgage Co., Inc.  
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Phone No.: 623-388-2949

Tariff Sheet No.: 3 of 4  
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Effective: June 1, 2007

### Stage 4 Exists When:

- a. Company's total water storage or well 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 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:

- ◆ Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
- ◆ Washing of any vehicle is prohibited
- ◆ The use of water for dust control or any outdoor cleaning uses is prohibited
- ◆ The use of drip or misting systems of any kind is prohibited
- ◆ The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- ◆ The use of construction water is prohibited
- ◆ Restaurant patrons shall be served water only upon request
- ◆ Any other water intensive activity is prohibited

The Company's operation of its standpipe service is prohibited. 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.
2. Company shall post at least 2 signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and 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.

## TARIFF SCHEDULE

Utility: American Realty & Mortgage Co., Inc.  
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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, there shall be no hauling of water as the water company is on the verge of bankruptcy and the back-up well lease was terminated for nonpayment. As there is no other franchised water company within miles. Each customer should take immediate steps to obtain a personal back-up water supply.