

ORIGINAL



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BEFORE THE ARIZONA CORPORATION COMMISSION

04PN

COMMISSIONERS

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
BARRY WONG

2006 DEC 12 P 4: 36

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF  
ARIZONA-AMERICAN WATER COMPANY,  
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 PARADISE  
VALLEY DISTRICT

DOCKET NO. W-01303A-05-0405

IN THE MATTER OF THE APPLICATION OF  
ARIZONA-AMERICAN WATER COMPANY,  
INC., AN ARIZONA CORPORATION, FOR  
APPROVAL OF AN AGREEMENT WITH THE  
PARADISE VALLEY COUNTRY CLUB

DOCKET NO. W-01303A-05-0910

ARIZONA-AMERICAN WATER  
COMPANY'S NOTICE OF FILING  
CUSTOMER NOTICE

1 Arizona-American Water Company hereby submits a copy of the notice provided to its  
2 customers concerning the new rates and charges authorized by Decision No. 68858.  
3

4 **RESPECTFULLY SUBMITTED** on December 12, 2006.  
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8

*Craig A Marks* *CA*  
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Arizona Corporation Commission  
**DOCKETED**

DEC 12 2006

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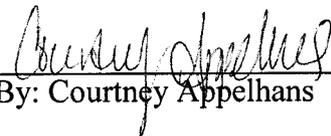
1 Original and 15 copies **filed**  
2 on December 12, 2006, with:

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4 Docket Control  
5 Arizona Corporation Commission  
6 1200 West Washington  
7 Phoenix, Arizona 85007

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9 Copies of the foregoing **mailed**  
10 on December 12, 2006, to:

11  
12 Maureen Scott  
13 Legal Division  
14 Arizona Corporation Commission  
15 1200 West Washington St.  
16 Phoenix, Arizona 85007

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18 Daniel W. Pozefsky  
19 Residential Utility Consumer Office  
20 1110 West Washington Street  
21 Suite 220  
22 Phoenix, Arizona 85007

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27 By: Courtney Appelhans

## IMPORTANT INFORMATION ABOUT YOUR RATES

On June 3, 2005, Arizona-American Water Company requested a rate increase in its Paradise Valley District from the Arizona Corporation Commission ("ACC"). The ACC issued a Decision on July 28, 2006, authorizing a 3.93% rate increase to be effective August 1, 2006. Additionally, a new "High Block" surcharge was implemented in the amount of \$2.15 per thousand gallons applicable to residential customers in a month with consumption over 80,000 gallons and applicable to commercial customers in a month with consumption over 400,000 gallons.

The exact increase in your monthly bill will vary depending on the customer class to which you belong, the amount of your monthly consumption and the size of your water meter. As an example, a residential customer with a 5/8 x 3/4-inch meter and average usage of 22,193 gallons per month would see a 7.13 percent increase in his/her monthly bill. If you have any questions about this rate increase, please call our call center at 1-800-492-8373.

This is the first rate increase in your water district since 1998, whereas the Consumer Price Index increased over 20% during these years. The present rate increase is primarily due to capital investments specifically in your community to improve water flow capability from fire hydrants.

### The rates and charges will be as follows for service rendered on or after August 1, 2006:

<b>Service Charges:</b>	<b>Per Meter Per Month</b>
For 5/8-inch meter .....	\$ 9.50
For 3/4-inch meter .....	\$ 9.83
For 1-inch meter.....	\$ 15.85
For 1-1/2-inch meter.....	\$ 32.00
For 2-inch meter .....	\$ 51.00
For 3-inch meter .....	\$ 94.50
For 4-inch meter .....	\$157.25
For 6-inch meter .....	\$315.00

<b>Quantity Rates:</b>	<b>Per Month</b>
<b>Residential Customers:</b>	
0 – 25,000 gallons .....	\$0.76 per 1,000 gallons
25,001 – 80,000 gallons .....	\$1.65 per 1,000 gallons
In excess of 80,000 gallons .....	\$2.18 per 1,000 gallons

<b>Commercial Customers:</b>	
0 – 400,000 gallons .....	\$1.27 per 1,000 gallons
In excess of 400,000 gallons .....	\$1.56 per 1,000 gallons

<b>Other General Metered:</b>	
For all usage .....	\$1.46 per 1,000 gallons

<b>Turf Facility Customers:</b>	
For all usage .....	\$1.00 per 1,000 gallons

<b>High Block Surcharge Rates:</b>	<b>Per Customer</b>
<b>Residential Customers:</b>	
In excess of 80,000 gallons .....	\$2.15 per 1,000 gallons
<b>Commercial Customers:</b>	
In excess of 400,000 gallons .....	\$2.15 per 1,000 gallons



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