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AZ CORP COMMISSION
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Arizona Corporation Commission

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BEFORE THE ARIZONA CORPORATION COMMISSION

8 IN THE MATTER OF THE APPLICATION)
OF VALLEY UTILITIES WATER)
9 COMPANY INC. FOR AN INCREASE IN)
ITS WATER RATES FOR CUSTOMERS)
10 WITHIN MARICOPA COUNTY, ARIZONA)
11 IN THE MATTER OF THE APPLICATION)
OF VALLEY UTILITIES WATER)
12 COMPANY, INC. FOR AUTHORITY TO)
ISSUE PROMISSORY NOTE(S) AND)
13 OTHER EVIDENCES OF INDEBTEDNESS)
PAYABLE AT PERIODS OF MORE THAN)
14 TWELVE MONTHS AFTER THE DATE OF)
ISSUANCE.)
15

DOCKET NO. W-01412A-04-0736

DOCKET NO. W-01412A-04-0849

WIFA LOAN SURCHARGE
CALCULATION AND NOTICE OF
IMPLEMENTATION

16 1. On November 14, 2005 the Commission issued Decision No. 68309 (the
17 "Decision"), which Decision, among other things, required the Company to file a WIFA Loan
18 Surcharge calculation based on the debt service of the new WIFA Loan, net of certain "set
19 asides" authorized in Decision No. 62908, dated September 18, 2000, and Arsenic Impact Fees
20 authorized in Decision No. 67669 dated March 9, 2005.

21 2. Attached hereto as **Attachment One**, and incorporated herein by this reference, is
22 a schedule setting forth that calculation. Due to the balances in the above referenced accounts,
23

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1 the WIFA Loan Surcharge for the first fiscal year of the WIFA Loan will be \$0.00 per 1,000
2 gallons usage.

3 3. It is anticipated that the WIFA Loan Surcharge for the second fiscal year will
4 remain at that level, but will become positive in the third fiscal year. Annual filings will be made
5 no less than 30 days before the anniversary of the implementation.

6 4. The Decision is silent as to the procedure for implementing the WIFA Loan
7 Surcharge beyond the compliance filing. The Company would propose to commence showing a
8 "WIFA Loan Surcharge" line item on its monthly billings to customers at the \$0.00 level with the
9 June 2007 billings.

10 WHEREFORE, the Company hereby files this compliance item as required by Decision
11 No. 68309, and notifies the Commission of the implementation of a \$0.00 WIFA Loan Surcharge
12 with its June 1, 2007 billings.

13 RESPECTFULLY submitted this 9th day of May 2007.

14 SALLQUIST, DRUMMOND & O'CONNOR, P.C.

15
16 By 
17 Richard L. Sallquist
4500 S. Lakeshore Drive, Suite 339
Tempe, Arizona 85282
Attorneys for Valley Utilities Water Company

18 Original and fifteen copies of the
19 foregoing filed this 9th day
20 of May 2007:

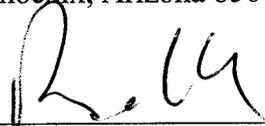
21 Docket Control
22 Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

1 A copy of the foregoing
mailed/hand delivered this
2 9th day of May 2007, to:

3 Utilities Division
Arizona Corporation Commission
4 1200 West Washington
Phoenix, Arizona 85007

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6 Legal Division
Arizona Corporation Commission
1200 West Washington
7 Phoenix, Arizona 85007

8 Hearing Division
Arizona Corporation Commission
9 1200 West Washington
Phoenix, Arizona 85007

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Valley Utilities Water Company
Computation of Arsenic Recovery Surcharge

Exhibit

Line			
<u>No.</u>			
1			
2	WIFA Debt Service Requirements (May 2007 to April 2008) ¹	\$	247,849
3	Reductions		
4	Arsenic Impact Fees to be used ²	\$	(247,849)
5	WIFA Loan Set Asides to be Used ³	-	
6	Total Reductions	\$	(247,849)
7	Amount to be Collected via Arsenic Recovery Surcharge	\$	(0)
8			
9	Gallons Sold (in 1,000's) during Prior Year (2006)		333,624
10			
11	Surcharge per 1,000 gallons	\$	-
12			
13	<u>Computation of Impact on Average 5/8 Inch metered Customer</u>		
14	Average Use (in gallons)		9,251
15	Average Bill (without surcharge)	\$	30.18
16	Arsenic Recovery Surcharge at Average Use	\$	-
17	Average Bill (with surcharge)	\$	30.18
18	Percent Increase in Average Bill		0.00%
19			
20	¹ WIFA Debt Service Requirements (May 2007 to April 2008) (From Loan Repayment Schedule)		
21	May '07	\$	66,537
22	June		16,483
23	July		16,483
24	August		16,483
25	September		16,483
26	October		16,483
27	November		16,483
28	December		16,483
29	January '08		16,483
30	February		16,483
31	March		16,483
32	April		16,483
33	Total	\$	247,849
34			
35	² Arsenic Impact Fees Collected and Used		
36	Fees Collected	\$	314,171
37	Less: Funds Previously Used for Arsenic Plant or Debt Service		(44,355)
38	Less: Funds used for Current Year's Debt Service		(247,849)
39	Balance of Arsenic Impact Fee Fund to be used in Future	\$	21,967
40			
41	³ WIFA Loan Set Asides(Collected between Nov. 2000 and Sept. 2005)		
42	Loan Set Asides	\$	141,129
43	Less: Funds Previously Used for Plant or Debt Service		-
44	Less: Funds used for Current Year's Debt Service		-
45	Balance of WIFA Loan Set Asides to be used in Future	\$	141,129
46			

VALLEY UTILITIES WATER COMPANY, INC.

DECEMBER, 2005

WIFA LOAN SET ASIDES FROM
NOVEMBER, 2000 TO SEPTEMBER, 2005

Year & Month	Number of Accounts	Set Aside	TOTAL SET ASIDES
2000			
November	635	\$6.35	\$4,032.25
December	635	\$6.35	\$4,032.25
2001			
January	635	\$6.35	\$4,032.25
February	635	\$6.35	\$4,032.25
March	635	\$6.35	\$4,032.25
April	635	\$6.35	\$4,032.25
May	635	\$6.35	\$4,032.25
June	635	\$6.35	\$4,032.25
July	635	\$6.35	\$4,032.25
August	635	\$6.35	\$4,032.25
September	635	\$6.35	\$4,032.25
October	635	\$6.35	\$4,032.25
November	635	\$6.35	\$4,032.25
December	635	\$6.35	\$4,032.25
2002			
January	635	\$6.35	\$4,032.25
February	635	\$6.35	\$4,032.25
March	635	\$6.35	\$4,032.25
April	635	\$6.35	\$4,032.25
May	635	\$6.35	\$4,032.25
June	635	\$6.35	\$4,032.25
July	635	\$6.35	\$4,032.25
August	635	\$6.35	\$4,032.25
September	635	\$6.35	\$4,032.25
October	635	\$6.35	\$4,032.25
November	635	\$6.35	\$4,032.25
December	635	\$6.35	\$4,032.25
2003			
January	635	\$6.35	\$4,032.25
February	635	\$6.35	\$4,032.25
March	635	\$6.35	\$4,032.25
April	635	\$6.35	\$4,032.25
May	635	\$6.35	\$4,032.25
June	635	\$6.35	\$4,032.25
July	635	\$6.35	\$4,032.25
August	635	\$6.35	\$4,032.25
September	635	\$6.35	\$4,032.25
TOTAL			\$141,128.75