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BEFORE THE ARIZONA CORPORATION COMMISSION  
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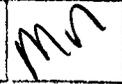
Arizona Corporation Commission  
DOCKETED

NOV 12 2008

COMMISSIONERS

MIKE GLEASON, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

2008 NOV 12 P 2:38  
AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED BY 

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  
NOTICE OF FILING OF REVISED ACRM STEP-TWO TARIFF FOR ITS  
PARADISE VALLEY WATER DISTRICT**

Decision No. 70560 of the Arizona Corporation Commission in the above-captioned matter provides, among other things, that Arizona-American Water Company is directed to file with the Commission an arsenic removal surcharge tariff consistent with the figures contained in Staff's revised ACRM Schedule GWB-1 filed on October 9, 2008 as approved by the Commission.

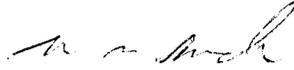
On November 3, 2008 the Company filed the original ACRM Step-Two tariff, but at Staff's request is now filing changes to pages 1a and 1b of the tariff. These additional changes include: clarifying customer classes and their respective charges, correcting numerical typos, adding language to the Special Conditions section to more clearly describe customer classes, and providing a reference to the High Block Usage Surcharge and Public Safety Fire Flow Surcharge in the Special Conditions section.

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1 In addition to the ACRM Step-Two tariff, the Company is also filing a revised page 1 of  
2 the General Metered Service tariff to more clearly delineate the base charges associated with  
3 different customer classes.

4 RESPECTFULLY SUBMITTED on November 12, 2008.

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7  
8 Thomas Broderick, Director, Rates & Regulation  
9 Arizona-American Water Company  
10 19820 N. 7<sup>th</sup> Street, Suite 201  
11 Phoenix, Arizona 85024  
12 (623) 445-2420  
13 Thomas.Broderick@amwater.com  
14

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19  
20  
21 Original and 15 copies filed  
22 on November 12, 2008, with:

23  
24 Docket Control  
25 Arizona Corporation Commission  
26 1200 West Washington  
27 Phoenix, Arizona 85007

28  
29 Copies of the foregoing delivered  
30 or mailed on November 12, 2008, to:

31  
32 Ernest Johnson,  
33 Director, Utilities Division  
34 Arizona Corporation Commission  
35 1200 West Washington St.  
36 Phoenix, Arizona 85007

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38 Gerald Becker  
39 Utilities Division  
40 Arizona Corporation Commission  
41 1200 West Washington St.  
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29 Phoenix, AZ 85014

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By:

  
\_\_\_\_\_  
Courtney Appelhans

		14th Revised	SHEET NO.	1
Arizona-American Water Company		Cancelling	13th Revised	SHEET NO.
(Name of Company)		<b>Paradise Valley Water District</b>		1
		(Name of Service Area)		

**GENERAL METERED SERVICE**

**APPLICABILITY**

Applicable to all water furnished to general metered customers on a metered basis.

**TERRITORY**

Portions of the City of Scottsdale and the Town of Paradise Valley and vicinity, Maricopa County.

**SCHEDULE OF CHARGES:**

Meter Size		Monthly Usage Charge	Tier One		Tier Two		Tier Three	
			Commodity Rate (per 1,000 gallons)	Upper Limit (gallons)	Commodity Rate (per 1,000 gallons)	Second Tier Breakover (gallons)	Commodity Rate (per 1,000 gallons)	Third Tier Breakover
<b>Residential 5/8-inch</b>	Meter	\$ 9.50	\$0.7600	25,000	\$1.6500	80,000	\$2.1800	Infinite
¾ inch	Meter	\$ 9.83	\$0.7600	25,000	\$1.6500	80,000	\$2.1800	Infinite
1-inch	Meter	\$ 15.85	\$0.7600	25,000	\$1.6500	80,000	\$2.1800	Infinite
1-½ -inch	Meter	\$ 32.00	\$0.7600	25,000	\$1.6500	80,000	\$2.1800	Infinite
2-inch	Meter	\$ 51.00	\$0.7600	25,000	\$1.6500	80,000	\$2.1800	Infinite
3-inch	Meter	\$ 94.50	\$0.7600	25,000	\$1.6500	80,000	\$2.1800	Infinite
4-inch	Meter	\$157.25	\$0.7600	25,000	\$1.6500	80,000	\$2.1800	Infinite
6-inch	Meter	\$315.00	\$0.7600	25,000	\$1.6500	80,000	\$2.1800	Infinite
<b>Commercial 5/8-inch</b>	Meter	\$ 9.50	\$1.2700	400,000	\$1.5600	Infinite	-	-
¾-inch	Meter	\$ 9.83	\$1.2700	400,000	\$1.5600	Infinite	-	-
1-inch	Meter	\$ 15.85	\$1.2700	400,000	\$1.5600	Infinite	-	-
1-½-inch	Meter	\$ 32.00	\$1.2700	400,000	\$1.5600	Infinite	-	-
2-inch	Meter	\$ 51.00	\$1.2700	400,000	\$1.5600	Infinite	-	-
3-inch	Meter	\$ 94.50	\$1.2700	400,000	\$1.5600	Infinite	-	-
4-inch	Meter	\$157.25	\$1.2700	400,000	\$1.5600	Infinite	-	-
6-inch	Meter	\$315.00	\$1.2700	400,000	\$1.5600	Infinite	-	-
<b>Turf 5/8-inch</b>	Meter	\$ 9.50	\$1.0000	Infinite	-	-	-	-
¾ inch	Meter	\$ 9.83	\$1.0000	Infinite	-	-	-	-
1-inch	Meter	\$ 15.85	\$1.0000	Infinite	-	-	-	-
1-½ -inch	Meter	\$ 32.00	\$1.0000	Infinite	-	-	-	-
2-inch	Meter	\$ 51.00	\$1.0000	Infinite	-	-	-	-
3-inch	Meter	\$ 94.50	\$1.0000	Infinite	-	-	-	-
4-inch	Meter	\$157.25	\$1.0000	Infinite	-	-	-	-
6-inch	Meter	\$315.00	\$1.0000	Infinite	-	-	-	-
<b>Gen &amp; Resale 5/8-inch</b>	Meter	\$ 9.50	\$1.4600	Infinite	-	-	-	-
¾ inch	Meter	\$ 9.83	\$1.4600	Infinite	-	-	-	-
1-inch	Meter	\$ 15.85	\$1.4600	Infinite	-	-	-	-
1-½ -inch	Meter	\$ 32.00	\$1.4600	Infinite	-	-	-	-
2-inch	Meter	\$ 51.00	\$1.4600	Infinite	-	-	-	-
3-inch	Meter	\$ 94.50	\$1.4600	Infinite	-	-	-	-
4-inch	Meter	\$157.25	\$1.4600	Infinite	-	-	-	-
6-inch	Meter	\$315.00	\$1.4600	Infinite	-	-	-	-
<b>PV Country Club 6-inch</b>	Meter	\$267.75	\$0.8500	Infinite	-	-	-	-

(continued)

ISSUED:	Nov. 12, 2008		EFFECTIVE:	Oct. 17, 2008
	Month Day Year			Month Day Year
ISSUED BY:	Thomas Broderick, Director, Rates & Regulation			
	19820 N. 7 <sup>th</sup> St., Suite 201, Phoenix, Arizona			
	Decision No. 70560			

		12th Revised	SHEET NO.	1a
Arizona-American Water Company		Cancelling	11th Revised	SHEET NO
(Name of Company)	Paradise Valley Water District			
	(Name of Service Area)			

**GENERAL METERED SERVICE**

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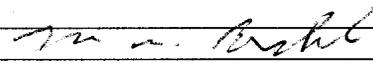
In addition to the Schedule of Charges, the Step 2 Arsenic Cost Recovery Charges will be added as follows (effective until October 16, 2009):

Meter Size	Monthly Usage Charge	Tier One		Tier Two		Tier Three	
		Commodity Rate (per 1,000 gallons)	Upper Limit (gallons)	Commodity Rate (per 1,000 gallons)	Second Tier Breakover (gallons)	Commodity Rate (per 1,000 gallons)	Third Tier Breakover
<b>Residential, Commercial, Turf, General &amp; Resale:</b>							
5/8-inch	Meter	\$ 17.19	\$0.5261	Infinite	-	-	-
¾ inch	Meter	\$ 17.78	\$0.5261	Infinite	-	-	-
1-inch	Meter	\$ 28.67	\$0.5261	Infinite	-	-	-
1-½ – inch	Meter	\$ 57.89	\$0.5261	Infinite	-	-	-
2-inch	Meter	\$ 92.26	\$0.5261	Infinite	-	-	-
3-inch	Meter	\$170.96	\$0.5261	Infinite	-	-	-
4-inch	Meter	\$284.49	\$0.5261	Infinite	-	-	-
6-inch	Meter	\$569.88	\$0.5261	Infinite	-	-	-
<b>PV Country Club:</b>							
6-inch	Meter	\$484.40	\$0.4472	Infinite	-	-	-

**SPECIAL CONDITIONS:**

1. This Step 2 Arsenic Cost Recovery surcharge (SHEET 1a) includes an O&M deferral that expires October 16, 2009. The Step 2 Arsenic surcharge that will result following the deferral's expiration is outlined in SHEET 1b.
2. Please refer to SHEETS 5 & 6 (High Block Usage Surcharge and Public Safety Fire Flow Surcharge respectively) which are added to the charges of SHEET 1b.
3. Commercial customers are defined to be all non-residential general metered customers who do not fit into the definitions of Turf, Resale, or Paradise Valley Country Club customers.
4. Turf customers are defined as those customers who own or operate a turf-related facility, subject to a water allotment established by the Arizona Department of Water Resources.
5. Resale customers are defined as those customers who purchase water for distribution and sale to other persons.
6. In addition to the collection of its regular rates and charges, the Company shall collect from its customers their proportionate share of any privilege, sales or use tax or other imposition or fee levied upon the utility service furnished by the Company.
7. A 1-1/2% late payment penalty charge will be applied to account balances not paid within 30 days after the postmark date of the bill.

(continued)

ISSUED:	Nov. 12, 2008		EFFECTIVE:	Oct 17, 2008
	Month Day Year			Month Day Year
ISSUED BY:	Thomas Broderick, Director, Rates & Regulation			
	19820 N. 7 <sup>th</sup> St., Suite 201, Phoenix, Arizona			
	Decision No. 70560			

Arizona-American Water Company		1st	SHEET NO	1b
(Name of Company)	Paradise Valley Water District			
	(Name of Service Area)			

**GENERAL METERED SERVICE**

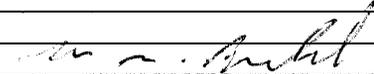
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Below are the Step 2 Arsenic Cost Recovery Charges following the expiration of the O&M deferral on October 16, 2009:

Meter Size	Monthly Usage Charge	Tier One		Tier Two		Tier Three		
		Commodity Rate (per 1,000 gallons)	Upper Limit (gallons)	Commodity Rate (per 1,000 gallons)	Second Tier Breakover (gallons)	Commodity Rate (per 1,000 gallons)	Third Tier Breakover	
<b><u>Residential, Commercial, Turf, General &amp; Resale:</u></b>								
5/8-inch	Meter	\$ 16.80	\$0.5140	Infinite	-	-	-	-
¾ inch	Meter	\$ 17.38	\$0.5140	Infinite	-	-	-	-
1-inch	Meter	\$ 28.02	\$0.5140	Infinite	-	-	-	-
1-½ - inch	Meter	\$ 56.58	\$0.5140	Infinite	-	-	-	-
2-inch	Meter	\$ 90.17	\$0.5140	Infinite	-	-	-	-
3-inch	Meter	\$167.08	\$0.5140	Infinite	-	-	-	-
4-inch	Meter	\$278.04	\$0.5140	Infinite	-	-	-	-
6-inch	Meter	\$556.95	\$0.5140	Infinite	-	-	-	-
<b><u>PV Country Club:</u></b>								
6-inch	Meter	\$473.40	\$0.4369	Infinite	-	-	-	-

**SPECIAL CONDITIONS:**

1. This Step 2 Arsenic Cost Recovery surcharge (SHEET 1b) describes rates following the expiration of the O&M deferral on October 16, 2009.
2. Please refer to SHEETS 5 & 6 (High Block Usage Surcharge and Public Safety Fire Flow Surcharge respectively) which are added to the charges of SHEET 1b.
3. Commercial customers are defined to be all non-residential general metered customers who do not fit into the definitions of Turf, Resale, or Paradise Valley Country Club customers.
4. Turf customers are defined as those customers who own or operate a turf-related facility, subject to a water allotment established by the Arizona Department of Water Resources.
5. Resale customers are defined as those customers who purchase water for distribution and sale to other persons.
6. In addition to the collection of its regular rates and charges, the Company shall collect from its customers their proportionate share of any privilege, sales or use tax or other imposition or fee levied upon the utility service furnished by the Company.
7. A 1-1/2% late payment penalty charge will be applied to account balances not paid within 30 days after the postmark date of the bill.

ISSUED:	Nov. 12, 2008		EFFECTIVE:	Oct 17, 2008
	Month Day Year			Month Day Year
	ISSUED BY:	Thomas Broderick, Director, Rates & Regulation		
		19820 N. 7 <sup>th</sup> St., Suite 201, Phoenix, Arizona		
		Decision No. 70560		