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TARIFF SCHEDULE

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UTILITY: MOUNT TIPTON WATER COMPANY, INC.  
DOCKET NO.: W-02105A-03-0303  
DECISION NO.: 67162  
EFFECTIVE DATE: August 10, 2004

SHEET NO. 1

AZ CORP COMMISSION  
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OFF-SITE WATER FACILITIES HOOK-UP FEE

I. Purpose and Applicability

The purpose of the hook-up fees payable to Mount Tipton Water Company, Inc. ("the Company") pursuant to this tariff is to equitably apportion the costs of constructing additional facilities to provide water production, storage, and pressure among all new service connections.

These charges are applicable to all new service connections established after the effective date of this tariff. The charges are one-time charges and are payable as a condition to the Company's establishment of service, as more particularly provided below.

II. Definitions

Unless the context otherwise requires, the definitions set forth in R14-2-401 of the Arizona Corporation Commission's rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

"Applicant" means any party entering into an agreement with Company for the installation of water facilities to serve new service connections.

"Company" means Mount Tipton Water Company, Inc., an Arizona non-profit corporation.

"Main Extension Agreement" means any agreement whereby an Applicant agrees to advance the costs of the installation of water facilities to the Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Arizona Corporation Commission (same as line extension agreement).

"Off-Site Facilities" means wells, storage tanks and related appurtenances necessary for proper operation, including engineering and design costs. Off-Site Facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation, if these facilities are not for the exclusive use of the Applicant and these facilities will benefit the entire water system.

"Service Connection" means and includes all service connections for single-family residential, commercial, industrial, or other usages, regardless of meter size.

Arizona Corporation Commission

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**III. Off-Site Facilities Hook-Up Fee Charges**

Each new service connection shall pay the total Off-Site Facilities Hook Up Fee, derived from the following table:

| <b>Meter Size</b> | <b>Total Fee</b> |
|-------------------|------------------|
| 5/8" x 3/4"       | \$ 800           |
| 3/4"              | 840              |
| 1"                | 1,400            |
| 1 1/2"            | 2,800            |
| 2"                | 4,480            |
| 3"                | 8,400            |
| 4"                | 14,000           |
| 6" or larger      | 28,000           |

**IV. Terms and Conditions**

- (A) Assessment of One Time Hook-Up Fee Charge: The Hook-Up Fee may be assessed only once per service connection or lot within a platted subdivision (similar to meter and service line installation charges). However, this provision does not exempt any newly created parcel(s) which are the result of further subdivision or a lot or land parcel, and which do not have a service connection, from assessment of a Hook-Up Fee.
- (B) Use of Off-Site Hook-Up Fee: Hook-Up Fees may only be used to pay for the capital items of Off-Site Facilities, or for repayment of loans obtained for installation of Off-Site Facilities. Off-Site Facilities Hook-Up fees shall not be used for repairs, maintenance, plant replacements, or operational purposes.
- (C) Time of Payment:
- (1) In the event that the Applicant is required to enter into a main extension agreement, whereby the Applicant agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements in order to extend service in accordance with R14-2-406(B), payment of the charges required hereunder shall be made by Applicant within 15 calendar days after receipt of notification from the Company that the Utilities Division of the Arizona Corporation Commission has approved the main extension agreement in accordance with R14-2-406(M).
  - (2) In the event that the Applicant is not required to enter into a main extension agreement, the charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.

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- (D) Failure to Pay Charges; Delinquent Payments: Under no circumstances will the Company set a meter or otherwise allow service to be established if the Applicant has not paid in full all charges as provided by this Off-Site Facilities Hook-Up Fee Tariff.
- (E) Off-Site Facilities Hook-Up Fee Non-Refundable: The amounts collected by the Company pursuant to this tariff shall be non-refundable contributions in aid of construction.
- (F) Use of Charges Received: All funds collected by the Company as Off-Site Facilities Hook-Up Fees, shall be deposited into a separate interest bearing trust account and used solely for the purposes of paying for the costs of Off-Site Facilities, including repayment of loans obtained for the installation of Off-Site Facilities that will benefit the entire water system.
- (G) Off-Site Facilities Hook-Up Fees In Addition to Other Charges: The Off-Site Facilities Hook-Up Fees shall be in addition to any costs associated with a main extension agreement for on-site facilities, and are in addition to the amounts to be advanced pursuant to charges authorized under other sections of this tariff.
- (H) Trust Account: All funds collected by the Company as Off-Site Facilities Hook-Up Fees shall be deposited into a separated interest bearing trust account and used solely for the purposes of paying for the costs of Off-Site Facilities, including repayment of loans obtained for the installation of Off-Site Facilities.
- (I) Disposition of Excess Funds: After all necessary and desirable Off-Site Facilities are constructed utilizing funds collected pursuant to the Off-Site Facilities Hook Up Fee or the Off-Site Facilities Hook-Up Fee has been terminated by order of the Arizona Corporation Commission (Commission), any funds remaining in the trust shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.
- (J) Fire Flow Requirements: In the event the Applicant has fire flow requirements that require additional facilities beyond those facilities whose costs were generally provided, the Company may require the Applicant to install such additional facilities as are required to meet those additional fire flow requirements, as a non-refundable contribution, in addition to the Off-Site Facilities Hook-Up Fee.

Effective Date: August 10, 2004

Approved for Filing in Compliance with  
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