

ORIGINAL



0000031542

RECEIVED

1 FENNEMORE CRAIG
 2 Norman D. James (No. 006901) SEP 30 P 4: 23
 3 Jay L. Shapiro (No. 014650)
 3003 N. Central Avenue
 4 Suite 2600
 Phoenix, Arizona 85012
 Attorneys for Chaparral City
 Water Company, Inc.

AZ CORP COMMISSION
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

7 IN THE MATTER OF THE APPLICATION
 8 OF CHAPARRAL CITY WATER
 8 COMPANY, INC., AN ARIZONA
 9 CORPORATION, FOR A
 10 DETERMINATION OF THE CURRENT
 11 FAIR VALUE OF ITS UTILITY PLANT
 AND PROPERTY AND FOR INCREASES
 IN ITS RATES AND CHARGES FOR
 UTILITY SERVICE BASED THEREON.

DOCKET NO. W-02113A-04-0616

**NOTICE OF FILING AN OFF-SITE
FACILITIES HOOK-UP FEE
TARIFF**

12 Pursuant to Decision No. 68176 (September 30, 2005), Chaparral City Water
 13 Company, Inc. ("Chaparral City") hereby submits its Notice of Filing an Off-Site
 14 Facilities Hook-Up Fee Tariff, attached hereto as Exhibit 1, in the above-captioned
 15 matter.

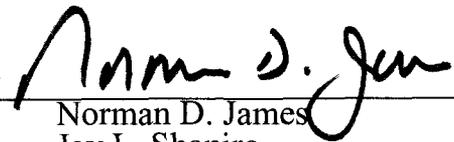
16 In Decision No. 57395 (May 23, 1991), the Arizona Corporation Commission
 17 ("Commission") established a hook-up fee for Chaparral City, but ordered that a portion
 18 of the revenue generated by the hook-up fee be treated as revenue for the purpose of
 19 establishing rates and charges. In the above-captioned application, Chaparral City sought
 20 treatment of the entirety of hook-up fee revenue as Contributions in Aid of Construction.
 21 No party expressed opposition to Chaparral City's request. All parties in this rate case
 22 agreed that hook-up fees should no longer be treated as revenues. The attached Off-Site
 23 Facilities Hook-Up Fee incorporates the Commission's most recent standard form Hook-
 24 Up Fee Tariff, and preserves the fee calculation established by the Commission in
 25 Decision No. 57395.

26 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

RESPECTFULLY SUBMITTED this 30th day of September, 2005.

FENNEMORE CRAIG

By 

Norman D. James
Jay L. Shapiro
3003 North Central Ave., Suite 2600
Phoenix, Arizona 85012
Attorneys for Chaparral City
Water Company

ORIGINAL and 13 copies of the foregoing
delivered for filing this 30th day of September, 2005, to:

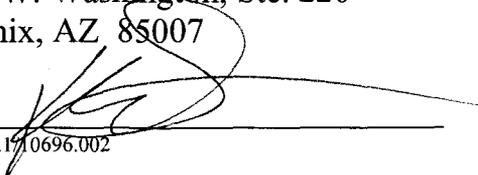
Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

COPY hand-delivered this 30th day of September, 2005 to:

Teena Wolfe, Esq.
Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

David Ronald, Esq.
Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Dan Pozefsky, Esq.
Residential Utility Consumer Office
1110 W. Washington, Ste. 220
Phoenix, AZ 85007

By: 
1716972.1710696.002

EXHIBIT

1

		Revised	SHEET NO.	
Chaparral City Water Company		Revised	SHEET NO	
(Name of Company)				
	(Name of Service Area)			

OFF SITE HOOK-UP FEE TARIFF

I. Purpose and Applicability.

The purpose of the off-site hook-up fees payable to Chaparral City Water Company (“the Company”) pursuant to this tariff is to equitably apportion the costs of constructing additional off-site facilities to provide water production, delivery, 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 Company’s establishment of service, as more particularly provided below.

II. Definitions.

Unless the context otherwise requires, the definitions set forth in A.C.C. R14-2-401 of the Arizona Corporation Commission’s (“Commission”) 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, and may include Developers and/or Builders of new residential subdivisions.

“Company” means Chaparral City Water Company, an Arizona public service corporation.

“Main Extension Agreement” means any agreement whereby an Applicant, Developer and/or Builder 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 Commission pursuant to A.A.C. R14-2-406, and shall have the same meaning as “Water Facilities Agreement” or “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 will benefit the entire water system.

ISSUED:			EFFECTIVE:	
	Month Day Year			Month Day Year
		ISSUED BY: Robert Hanford, General Manager		
		12021 North Panorama Drive, Fountain Hill,		
		Arizona, 85268		
		Decision No.		

		Revised	SHEET NO.	
Chaparral City Water Company		Revised	SHEET NO	
(Name of Company)				
	(Name of Service Area)			

“Service Connection” means and includes all service connections for single-family residential or other uses, regardless of meter size.

III. Off-Site Hook-Up Fee.

For each new service connection, the Company shall collect an off-site hook-up fee derived as follows:

The fee shall be a variable fee, fixed on January 1 of each calendar year, computed by dividing \$369,404.50 by the number of new hook-ups during the previous calendar year; however, in no event shall the hook-up fee be higher than \$1,000 nor less than \$500.

The fee for 2005 is \$814.00. This fee shall be re-calculated each year based on the number of new hook-ups during the previous calendar year.

IV. Terms and Conditions.

(A) Assessment of One Time Off-Site Hook-Up Fee: The off-site hook-up fee may be assessed only once per parcel, service connection, or lot within a subdivision (similar to meter and service line installation charge).

(B) Use of Off-Site Hook-Up Fees: Off-site hook-up fees may only be used to pay for capital items of off-site facilities, or for repayment of loans obtained for installation of off-site facilities. Off-site hook-up fees shall not be used for repairs, maintenance, or operational purposes.

(C) Time of Payment:

a. For those requiring a Main Extension Agreement –

In the event that the person or entity that will be constructing improvements (“Applicant”, “Developer” or “Builder”) is otherwise required to enter into a Main Extension Agreement, whereby the Applicant, Developer or Builder agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements in order to extend service in accordance with R-14-2-406 (B), payment of the fees required hereunder shall be made by the Applicant, Developer or Builder no later than 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).

ISSUED:			EFFECTIVE:	
	Month Day Year			Month Day Year
		ISSUED BY: Robert Hanford, General Manager		
		12021 North Panorama Drive, Fountain Hill,		
		Arizona, 85268		
		Decision No.		

		Revised	SHEET NO.	
Chaparral City Water Company		Revised	SHEET NO.	
(Name of Company)				
	(Name of Service Area)			

b. For those connecting to an existing main that was installed pursuant to a Main Extension Agreement that was approved by the Arizona Corporation Commission –

In the event that the Applicant, Developer or Builder for service 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.

(D) Off-Site Facilities Construction By Developer: Company and Applicant, Developer or Builder may agree to construction of off-site facilities necessary to serve a particular development by Applicant, Developer or Builder, which facilities are then conveyed to Company. In that event, Company shall credit the total cost of such off-site facilities as an off-set to off-site hook-up fees due under this Tariff. If the total cost of the off-site facilities constructed by Applicant, Developer or Builder and conveyed to Company is less than the applicable off-site hook-up fees under this Tariff, Applicant, Developer or Builder shall pay the remaining amount of off-site hook-up fees owed hereunder. If the total cost of the off-site facilities constructed by Applicant, Developer or Builder and conveyed to Company is more than the applicable off-site hook-up fees under this Tariff, Applicant, Developer or Builder shall not be entitled to any refunds.

(E) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to provide water service to any Developer or, Builder or other applicant for service in the event that the Developer, Builder or other applicant for service has not paid in full all charges hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment has not been paid.

(F) Large Subdivision Projects: In the event that the Developer or Builder is engaged in the development of a residential subdivision containing more than 150 lots, the Company may, in its discretion, agree to payment of off-site hook-up fees in installments. Such installments may be based on the residential subdivision development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Developer's or Builder's construction schedule and water service requirements.

(G) Off-Site Hook-Up Fees Non-refundable: The amounts collected by the Company pursuant to this Off-Site Hook-Up Fee Tariff shall be non-refundable contributions in aid of construction.

(H) Use of Off-Site Hook-Up Fees Received: All funds collected by the Company as off-site hook-up fees shall be deposited into a separate interest bearing trust account and used solely for the purposes of

ISSUED:			EFFECTIVE:	
	Month Day Year			Month Day Year
		ISSUED BY: <u>Robert Hanford, General Manager</u>		
		<u>12021 North Panorama Drive, Fountain Hill,</u>		
		<u>Arizona, 85268</u>		
		Decision No.		

		Revised	SHEET NO.	
Chaparral City Water Company		Revised	SHEET NO.	
(Name of Company)				
	(Name of Service Area)			

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.

(I) Off-Site Hook-Up Fee in Addition to On-Site Facilities: The off-site hook-up fee shall be in addition to any costs associated with the construction of on-site facilities under a Main Extension Agreement.

(J) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the off-site hook-up fees, or if the off-site hook-up fee has been terminated by order of the 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.

(K) Fire Flow Requirements: In the event the applicant for service has fire flow requirements that require additional facilities beyond those facilities whose costs were included in the off-site hook-up fee, and which are contemplated to be constructed using the proceeds of the off-site hook-up fee, 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 hook-up fee.

ISSUED:		EFFECTIVE:	
	Month Day Year		Month Day Year
	ISSUED BY: Robert Hanford, General Manager 12021 North Panorama Drive, Fountain Hill, Arizona, 85268		
	Decision No.		