

	Original		SHEET NO.	5
<u>Arizona-American Water Company</u>			SHEET NO	
(Name of Company)	<u>Havasu Water District</u>			
	(Name of Service Area)			

ARSENIC IMPACT HOOK-UP FEE AIHUF-1

I. Purpose and Applicability

The purpose of the Arsenic Impact Fee ("AIHUF") payable to **Arizona-American Water Company – Havasu Water District** ("the Company") pursuant to this tariff is to equitably apportion the costs of constructing water treatment plant facilities to treat and remove arsenic. These charges are applicable to all new service connections established after the effective date of the 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 R-14-2-401 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

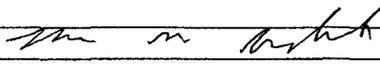
"Applicant" means any party entering into an agreement with the Company for the installation of water facilities to serve new service connections.

"Arsenic Treatment Facilities" means treatment equipment and related appurtenances necessary for the removal of arsenic through treatment of water to meet the 10 parts per billion ("ppb") arsenic standards.

"Company" means Arizona-American Water Company – Havasu Water District, an Arizona 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 Commission's Utilities Division (same as line extension agreement).

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

ISSUED:	Nov. 14, 2005		EFFECTIVE:	Nov. 14, 2005
	Month Day Year			Month Day Year
ISSUED BY:		Thomas M. Broderick, Manager, Rates		
		19820 N. 7 th St., Suite 201, Phoenix, Arizona		
		Decision No. 68310		

	Original		SHEET NO.	5a
Arizona-American Water Company			SHEET NO	
(Name of Company)	Havasu Water District			
	(Name of Service Area)			

ARSENIC IMPACT HOOK-UP FEE AIHUF-1 (continued)

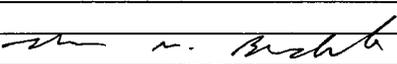
III. Arsenic Impact Fee Charges

Each new service connection shall pay the Arsenic Impact Hook-up Fee derived from the following table:

ARSENIC IMPACT FEE TABLE		
Meter Size	Meter Factor	Fee
5/8" x 3/4"	1	\$870
3/4"	1.5	\$1,305
1"	2.5	\$2,175
1-1/2"	5	\$4,350
2"	8	\$6,960
3"	16	\$13,920
4"	25	\$21,750
6"	50	\$43,500
8" or larger	80	\$69,600

IV. Terms and Conditions

- (A) Assessment of One Time AIHUF Charge: The AIHUF may be assessed only once per service connection, or lot within a platted subdivision (similar to service line and meter installation charges). However, this provision does not exempt from the AIHUF, any newly created parcel(s) which are the result of further subdivision of a lot or land parcel and which do not have a service connection.
- (B) Use of AIHUF: AIHUF may only be used to pay for capital items of arsenic treatment facilities (including engineering and design costs for such facilities), or for repayment of loans obtained for installation of arsenic treatment facilities. AIHUF shall not be used for expenses, maintenance, or operational purposes.

ISSUED:	Nov. 14, 2005		EFFECTIVE:	Nov. 14, 2005
	Month Day Year			Month Day Year
ISSUED BY:		Thomas M. Broderick, Manager, Rates		
		19820 N. 7 th St., Suite 201, Phoenix, Arizona		
		Decision No. 68310		

	Original		SHEET NO.	5b
Arizona-American Water Company			SHEET NO	
(Name of Company)	Havasu Water District			
	(Name of Service Area)			

ARSENIC IMPACT HOOK-UP FEE AIHUF-1 (continued)

(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 R-14-2-406(B), payment of the charges required hereunder shall be made by the Applicant within 15 calendar days after receipt of notification from the Company that the Utilities Division of the Commission has approved the main extension agreement in accordance with R-14-2-406(M).
- (2) In the event the Applicant is not required to enter into a main extension agreement, the charges hereunder shall be due and payable at the time the service line and meter installation charge is due and payable.

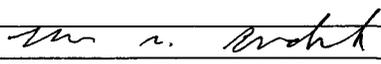
(D) Failure to Pay Charges, Delinquent Payments: Under no circumstances will the Company set a meter or otherwise allow service to be established if the Applicant has not paid in full all charges as provided by this AIHUF tariff.

(E) AIHUF Non-refundable: The amounts collected by the Company pursuant to the AIHUF shall be non-refundable advances in aid of construction.

(F) Use of Charges Received: All funds collected by the company pursuant to the hookup fee shall be treated as an offset to the costs of arsenic treatment facilities (including engineering and design costs for such facilities) in the ACRM step one and step two increases and in rate base in any future ratemaking proceeding. The company shall maintain on its books an accounting of the arsenic treatment facilities hookup fees collected pursuant to this tariff and an accounting of the arsenic treatment facilities constructed subsequent to adoption of this tariff.

(G) AIHUF in Addition to Other Charges: The AIHUF 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) Disposition of Excess Funds: After all necessary funds are collected to pay for all Arizona Department of Environmental Quality required arsenic treatment facilities or the AIHUF has been terminated by order of the Commission, any funds not necessary to pay for arsenic treatment facilities 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.

ISSUED:	Nov. 14, 2005		EFFECTIVE:	Nov. 14, 2005
	Month Day Year			Month Day Year
ISSUED BY:		Thomas M. Broderick, Manager, Rates		
		19820 N. 7 th St., Suite 201, Phoenix, Arizona		
		Decision No. 68310		