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**ORIGINAL**

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JAN 28 2002

January 28, 2002



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**VIA HAND DELIVERY**

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

Re: *Arizona-American Water Company Water and Wastewater Tariffs under Decision No. 64307*  
*Docket No. W-01032B-00-1043/SW-03454A-00-1043*

Dear Sir/Madam:

In accordance with Commission Decision No. 64307 docketed December 28, 2001, Arizona-American Water Company hereby files an original and ten copies of its water and wastewater tariffs, including its Nonpotable Water Service-Unrestricted Source NP-1, Water Facilities Hook-Up Fee WHU-1 and Sewer Facilities Hook-Up Fee SHU-1 tariffs, in the above-referenced dockets.

Very truly yours,

**GALLAGHER & KENNEDY, P.A.**

By:

Todd C. Wiley

ORIGINAL and 10 copies filed  
with Docket Control.

COPY of the foregoing mailed  
this \_\_\_\_ day of January, 2002 to:

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

Arizona Corporation Commission

**DOCKETED**

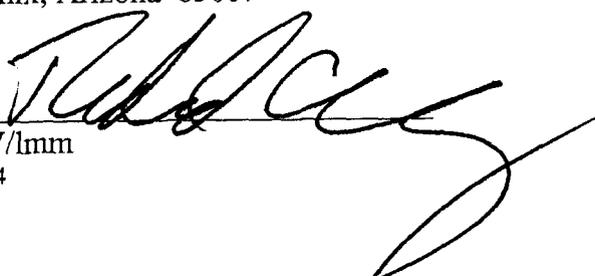
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Docket Control  
January 28, 2002  
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Utilities Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

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

By:   
TCW/lmm  
990284

Western Maricopa County, Arizona  
(Name of Service Area)

**Water Service**

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15626 N. Del Webb Blvd., Sun City, Arizona



**Water Service**

**Nonpotable Water Service – Unrestricted Source NP-1**

**Availability**

Available to large turf and landscape irrigators for use on golf courses, lakes, school grounds, park lands, right of ways, and similar large open spaces. Also available to land developers and their contractors and sub-contractors for use on large construction projects which require significant amounts of dirt moving, grading, trenching or other water intensive construction activities.

**Rates**

All Consumption	Rate per 1,000 gallons	\$0.62
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**Special Conditions**

The water provided under this tariff is untreated groundwater, raw surface water or reclaimed sewage effluent and is not suitable for human consumption or bodily contact. Water provided under this tariff should be used only for irrigation. Water will be made available for construction uses only to the extent it is not needed to serve other classes of customers.

Each customer shall be required to enter into Nonpotable Water Service Agreement with the Company prior to establishment of service in accordance with Rule No.12.

**Terms & Conditions**

Water service provided under this rate schedule is subject to the Company's Rules and Regulations applicable to Water Service and may be subject to the Company's miscellaneous service charges set forth in Rate Schedule MISC -1 and may be subject to the Company's groundwater withdrawal fees set forth in Rate Schedule GW - 1.

All rates in this Schedule shall be subject to their proportionate part of any taxes or other governmental imposts which are assessed directly or indirectly on the basis of revenues derived from service under this Schedule, or on the basis of the service provided or the volume of water produced, purchased or sold.

A 1-1/2% late payment penalty will be applied to account balances not paid within 25 days after the postmark date of the bill in accordance with Rule 8 (H).

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ISSUED	<u>January</u>	<u>28</u>	<u>2002</u>	EFFECTIVE	<u>January</u>	<u>28</u>	<u>2002</u>
	Month	Day	Year		Month	Day	Year

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**Water Service**

**Water Facilities Hook-Up Fee WHU – 1**

**Applicability**

Applicable to all new potable water Service Connections within that portion of Company's CC&N known as Whitestone, said area being more particularly described in Decision No. 60437.

**Purpose**

The purpose of the hook-up fee pursuant to this tariff is to equitably apportion the costs of constructing additional facilities to provide water production, treatment, transmission, storage, pressure and flow among all new Service Connections.

**Definitions**

Unless the context otherwise requires, the definitions set forth in Rule No. 1 shall apply in interpreting this tariff schedule. The following additional definitions apply to this tariff schedule only.

"Main Extension Agreement" means any agreement whereby an Applicant agrees to advance the costs of the installation of on-site water facilities (including distribution mains, valves, fittings, hydrants and other improvements in accordance with Rule No. 5) to the Company to serve new service connections, or install on-site 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 treatment facilities, wells, transmission lines, storage tanks and related appurtenances necessary for proper operation, including engineering and design costs. Off-Site facilities may also include booster pumps, pressure tanks, distribution mains and related appurtenances necessary for proper operation, if these facilities are not for the exclusive use of the applicant but rather those facilities will provide regional or system wide benefits.

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

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**Water Service**

**Rates**

Each new service connection shall pay the Water Facilities Hook-up Fee indicated below based on the meter size to be installed:

<b>Water Facilities Hook-Up Fee</b>		
Meter Size	Factor	Total Hook-Up Fee
5/8" x 3/4"	1.0	\$1,150.00
3/4"	1.5	\$1,725.00
1"	2.5	\$2,875.00
1 1/2"	5.0	\$5,750.00
2"	8.0	\$9,200.00
3"	16.0	\$18,400.00
4"	25.0	\$28,750.00
6"	50.0	\$57,500.00
8"	100.0	\$115,000.00

**Special Conditions**

1. **Assessment of One Time Hook-Up Charge:** The hook-up fee may be assessed only once per Service Connection, or residential lot within a platted subdivision (similar to meter and service line installation charges). However, this provision does not exempt from the hook-up fee, 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.
  
2. **Time of Payment:**
  - (a) In the event that the Applicant is required to enter into a Main Extension Agreement payment of the charges required hereunder shall be made by the Applicant when operational acceptance is issued for the on-site water facilities constructed to serve the improvement.
  
  - (b) 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 a meter is requested to be set for service to the property.
  
2. **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 Water Facilities Hook-Up Fee tariff.
  
3. **Off-Site Hook-Up Fees In Addition to Other Charges:** The off-site 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 paid pursuant to charges authorized under other tariffs.

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**Water Service**

- 4. Use of and accounting for Water Facilities Hook-up Fee: Proceeds from the hook-up fee shall be accounted for as a contribution in aid of construction. As such, they will be treated as an off-set to the cost of Off-Site Facilities included in rate base in any future ratemaking proceeding. The Company shall maintain on its books an accounting of the Water Facilities Hook-up Fees collected pursuant to this tariff and an accounting of the Off-Site Facilities constructed subsequent to adoption of this tariff.
  
- 5. Disposition of Excess Funds: After all necessary and desirable Off-Site Facilities are constructed or the Water Facilities Hook-Up Fee has been terminated by order of the Arizona Corporation Commission (Commission), any Water Facilities Hook-Up Fees collected in excess of the total amount expended by the Company for construction of Off-Site Facilities shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

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**Sewer Service**

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**Sewer Service**

**Sewer Facilities Hook-Up Fee SHU – 1**

**Applicability**

Applicable to all new sewer Service Connections within that portion of Company's CC&N known as Whitestone, said area being more particularly described in Decision No. 64307.

**Purpose**

The purpose of the hook-up fee pursuant to this tariff is to equitably apportion the costs of constructing additional facilities to provide wastewater treatment, effluent disposal and sludge disposal among all new Service Connections.

**Definitions**

Unless the context otherwise requires, the definitions set forth in Rule No. 1 shall apply in interpreting this tariff schedule. The following additional definitions apply to this tariff schedule only.

"Main Extension Agreement" means any agreement whereby an Applicant agrees to advance the costs of the installation of on-site wastewater facilities (including collection mains, manholes, lift stations, force mains and other improvements in accordance with Rule No. 5) to the Company to serve new service connections, or install on-site wastewater facilities to serve new service connections and transfer ownership of such wastewater facilities to the Company (same as line extension agreement).

"Off-Site Facilities" means wastewater treatment facilities, effluent disposal equipment, sludge disposal equipment and related appurtenances necessary for proper operation, including engineering and design costs. Off-Site facilities may also include lift stations, force mains, collection mains and related appurtenances necessary for proper operation, if these facilities are not for the exclusive use of the applicant but rather those facilities will provide regional or system wide benefits.

"Service Connection" means and includes all service connections for residential, commercial, industrial, or other uses

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**Sewer Service**

Rates

Fee per Equivalent Residential Unit \$750.00

Equivalent Residential Units for various facilities are determined under the following schedule:

<u>Type of Improvement</u>	<u>Associated ERU</u>
Single Family Home	1.00
Apartment Units	0.50
Commercial Units (per acre)	4.00
Resorts (per room)	0.50
Parks acreage, Golf Courses acreage, and Right-of-Way landscaping Acreage	0.00

Special Conditions

- Assessment of One Time Hook-Up Charge: The hook-up fee may be assessed only once per Service Connection, or residential lot within a platted subdivision (similar to service line installation charges). However, this provision does not exempt from the hook-up fee, 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.
- Time of Payment:
  - In the event that the Applicant is required to enter into a Main Extension Agreement, payment of the charges required hereunder shall be made by the Applicant when operational acceptance is issued for the on-site wastewater facilities constructed to serve the improvement.
  - 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 wastewater service is requested for the property.
- Failure to Pay Charges; Delinquent Payments: Under no circumstances will the Company allow wastewater service to be established if the Applicant has not paid in full all charges as provided by this Sewer Facilities Hook-Up Fee tariff.
- Off-Site Hook-Up Fees In Addition to Other Charges: The off-site 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 paid pursuant to charges authorized under other tariffs.

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Western Maricopa County, Arizona  
(Name of Service Area)

**Sewer Service**

- 4. Use of and accounting for Sewer Facilities Hook-up Fee: Proceeds from the hook-up fee shall be accounted for as a contribution in aid of construction. As such, they will be treated as an off-set to the cost of Off-Site Facilities included in rate base in any future ratemaking proceeding. The Company shall maintain on its books an accounting of the Sewer Facilities Hook-up Fees collected pursuant to this tariff and an accounting of the Off-Site Facilities constructed subsequent to adoption of this tariff.
- 5. Disposition of Excess Funds: After all necessary and desirable Off-Site Facilities are constructed or the Sewer Facilities Hook-Up Fee has been terminated by order of the Arizona Corporation Commission (Commission), any Sewer Facilities Hook-Up Fees collected in excess of the total amount expended by the Company for construction of Off-Site Facilities shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

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**Rules and Regulations Applicable to Water Service**

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Arizona-American Water Company  
Agua Fria District  
(Name of Company)

CANCELING \_\_\_\_\_  
A.C.C. \_\_\_\_\_

SHEET NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_  
53

Western Maricopa County, Arizona  
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**Rule No. 11**

Reserved

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Decision No. 64307

Arizona-American Water Company  
Agua Fria District  
(Name of Company)

A.C.C.  
CANCELING

SHEET NO. 54  
SHEET NO.

Western Maricopa County, Arizona  
(Name of Service Area)

**Rule No. 11**

Reserved

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Decision No. 64307

**Rule No. 12**

**Nonpotable Water Use**

**A. PURPOSE AND POLICY**

This Rule sets forth uniform requirements for use of Nonpotable Water and establishes a Nonpotable Water Service Agreement requirement. Implementation of this Rule is consistent with the Clean Water Act and the Arizona regulations pertaining to reuse of wastewater contained in Arizona Administrative Code (A.A.C.) R18-9-702, *et seq.* This Rule is implemented by Company in order to comply with applicable regulations and promote consistent application of Nonpotable Water, including treated wastewater, among its customers. This Rule supplements previous Rules by adding additional requirements for use of nonpotable water in addition to those required by previous Rules. The provisions of Rule 6, however, shall not apply to Nonpotable Water service. The provision of this Rule 12 will instead govern.

**B. DEFINITIONS**

The following definitions are supplemental to Rule No. 1.

- 1. Nonpotable Water: Water that contains objectionable pollution, contamination, minerals, or infectious agents and is considered unsatisfactory for human consumption. Nonpotable Water may include any combination of treated sewage effluent, untreated surface water supplies or untreated groundwater.
- 2. Nonpotable Water Service Agreement: A contract for Nonpotable Water service, substantially in the form attached to this Rule as Appendix A.
- 3. Reuse Facility: Any establishment or land owned, operated or otherwise controlled by a Customer using Nonpotable Water for irrigation, construction or other uses.

**C. ESTABLISHMENT OF NONPOTABLE SERVICE**

- 1. In addition to the requirements of Rule 2, an applicant for Nonpotable Water service shall enter into a Nonpotable Water Service Agreement with the Company prior to the establishment of service.
- 2. In addition to the provisions of Rule 2, an applicant may be refused service for failure to enter into a Nonpotable Water Service Agreement with the Company.

**D. COMPANY RESPONSIBILITY**

- 1. The Company shall deliver Nonpotable Water to the Point(s) Of Delivery specified in the Nonpotable Water Service Agreement, except that the Company may, at its option, refuse service until the Customer has obtained all required permits and/or inspections indicating that the Customer's facilities comply with local construction and safety standards.

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**Rule No. 12**

2. The Company shall provide Nonpotable Water that meets the standard(s) contained in A.A.C. R18-9-703 for the reuse(s) specified in the Nonpotable Water Service Agreement, in accordance with applicable Arizona Department of Environmental Quality Wastewater Reuse Permit.

E. CUSTOMER'S RESPONSIBILITY

1. Each Customer shall maintain all facilities on the Customer's side of the Point Of Delivery in a safe and efficient manner and in accordance with Arizona Department of Environmental Quality rules and the prescribed specifications of the Company.
2. Each Customer shall exercise reasonable care to prevent loss or damage to any Company property installed in or on the Customer's premises, excluding ordinary wear and tear. The Customer shall be responsible for loss of or damage to Company property on the Customer's premises arising from neglect, carelessness, or misuse and shall reimburse the Company for the cost of necessary repairs and replacements.
3. Each Customer shall pay for any equipment damaged as a result of unauthorized breaking of seals, interfering, tampering, or bypassing the Company's equipment. In cases of tampering, interfering with the proper working of the Company's equipment, interfering with theft, or service diversion, the Customer shall be subject to immediate discontinuance of service. The Company shall be entitled to collect from the Customer at the appropriate rate for all consumption not recorded as the result of such tampering or other theft of service, as well as any additional expenses incurred by the Company for property damage, investigation of the illegal act, and all legal expenses and court costs if necessary.
4. The Customer shall notify the Company of any failure identified in the Company's equipment.
5. Nonpotable Water furnished by the Company shall be used only on the Customer's premises and shall not be resold or provided to any other person.
6. The Customer agrees, when accepting service, that no one except Company employees or persons authorized by the Company shall be allowed to alter, operate, remove, replace or make any connection to any Company property or equipment installed on the Customer's property.

F. CONTINUITY OF SERVICE

1. The Company shall make reasonable efforts to supply a satisfactory level of service. However, the Company shall not be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from:

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**Rule No. 12**

- a. Any cause against which the Company could not have reasonably foreseen or made provision for, *i.e.*, force majeure;
  - b. Intentional service interruptions to make repairs or perform routine maintenance
2. Deliveries of Nonpotable Water under a restricted source tariff are subject to interruption, curtailment, or scheduling as necessary to match demands with available Nonpotable Water supplies. With respect to customers receiving service under a restricted source tariff, the Company shall not be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from interruptions, curtailments, or scheduling as necessary to match demands with available Nonpotable Water supplies.

G. SERVICE INTERRUPTIONS

- 1. In the event of a service interruption, the Company shall make reasonable efforts to reestablish service within the shortest possible time.
- 2. The Company shall make reasonable provision to address emergencies resulting from failure of service, and shall issue instructions to its employees covering procedures to be followed in the event of an emergency to prevent or mitigate interruption or impairment of service.

H. MANAGEMENT PRACTICES

The Customer shall ensure that the following management practices are observed at the Reuse Facility:

- 1. All irrigation, construction and other uses shall be considered reuse of wastewater and shall comply with A.A.C. R18-9-703C. The Reuse Facility shall maintain an operations and maintenance manual that contains sufficient information to assure compliance with this Rule.
- 2. Signage and other public information practices shall comply with A.A.C. R18-9-703C.
- 3. All Customer's Reuse Facility operators must be made aware of and understand the requirements of this Rule and the Nonpotable Water Service Agreement.
- 4. No full or partial body contact shall be allowed in Nonpotable Water. Accidental contact with Nonpotable Water is not considered to be a violation of this Rule.
- 5. A color coding system shall be used on all new piping and outlets to meet standards set forth by the Maricopa County Health Department and A.A.C. R18-9-703, for distinguishing potable water supply lines from Nonpotable Water lines. Plans for consideration of new or modified facilities to deliver Nonpotable Water to the Reuse Facilities shall be approved and operated pursuant to applicable regulations. Schematic plans for the location of sprinkler heads, valves, back-flow devices, and any other ancillary equipment shall be maintained in accordance with the Company's standards.

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Western Maricopa County, Arizona  
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**Rule No. 12**

- 6. The Customer shall apply Nonpotable Water at times to minimize contact with pedestrians.
- 7. The Customer shall utilize sprinkler head patterns to minimize overspray and runoff.
- 8. The Customer shall not apply Nonpotable Water in excess of consumptive use rates, in order to prevent ponding and runoff.
- 9. The Customer shall notify Arizona Department of Environmental Quality within five (5) working days of an unauthorized discharge to the land surface or to the aquifer. This notice shall include:
  - a. A description of the discharge
  - b. A description of the cause of the discharge
  - c. The location of the discharge
  - d. A plan of work which addresses remedial or mitigative action

A contingency plan must be submitted to Arizona Department of Environmental Quality for review within 30 days of the violation.

I. COMPANY ACCESS TO REUSE FACILITY

The Customer shall provide the Company with free access to the Reuse Facility in order to monitor compliance with the requirements of this Rule and the Nonpotable Water Service Agreement. The Company may, in furtherance of the stated purpose and policy of this Rule:

- 1. Enter the Customer's premises at reasonable times
- 2. Inspect generally for compliance
- 3. Take independent samples
- 4. Inspect and copy records

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