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Arizona Corporation Commission

**DOCKETED**

**AUG 16 2002**

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August 15, 2002

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**W-01303A-02-0629**

Docket Control  
 Tariff Administrator  
 Arizona Corporation Commission  
 1200 West Washington Street  
 Phoenix, Arizona 85007

Re: Arizona-American Water Company – Agua Fria District  
 Water Facilities Hook-Up Fee Tariff: W - 01303A

Dear Corporation Commissioners and Staff:

Enclosed please find an original and twelve copies of a proposed 1st Revised Water Facilities Hook-Up Fee Tariff for Arizona-American Water Company (“Arizona-American”), Agua Fria District.

The purpose of this filing is to establish a Water Facilities Hook-Up Fee so that the company can equitably apportion the costs of constructing additional facilities to provide water production, treatment, transmission, storage, pressure and flow among all new Service Connections.

It is respectfully requested that this proposed tariff go into effect on September 23, 2002. Should you have any questions, please do not hesitate to call.

Sincerely,

*Norm D. James*  
 Norman D. James

CC: Ernest Johnson, Utilities Director  
 Ray Jones, Arizona-American Water Company

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

CANCELING 3rd Revised  
2nd Revised

SHEET NO. TOC  
SHEET NO. TOC

Western Maricopa County, Arizona  
(Name of Service Area)

## Water Service

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ISSUED \_\_\_\_\_ EFFECTIVE \_\_\_\_\_  
Month Day Year Month Day Year

ISSUED BY Ray L. Jones, President

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



Decision No. \_\_\_\_\_

Western Maricopa County, Arizona  
(Name of Service Area)

**Water Service**

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

**Applicability**

Applicable to all new potable water Service Connections within the Company's CC&N, except those potable water Service Connections constructed pursuant to a Line Extension Agreement executed prior to the effective date of this tariff that required the developer to fund or install the Off-Site Facilities necessary for Company to provide potable water service to the potable water Service Connection, provided, however, that the necessary Off-Site Facilities have actually been funded or installed.

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



Decision No. \_\_\_\_\_

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

CANCELING 1<sup>st</sup> Revised  
Original

SHEET NO. 4b  
SHEET NO. 4b

Western Maricopa County, Arizona  
(Name of Service Area)

## 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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Month Day Year Month Day Year

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Decision No. \_\_\_\_\_