

ORIGINAL

OPEN MEETING



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MEMORANDUM

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TO: THE COMMISSION  
FROM: Utilities Division  
DATE: March 22, 2007  
RE: RECOMMENDED OPINION AND ORDER AUTHORIZING A NEW  
CONDITION TO BE ADDED TO THE TARIFF SCHEDULE FOR  
PONDEROSA UTILITY CORPORATION (DOCKET NO. W-01717A-07-0114)

On February 22, 2007, Ponderosa Utility Corporation ("Ponderosa" or "Company") filed a tariff application, Docket No. W-01717A-07-0114, with the Arizona Corporation Commission ("Commission") seeking to add a new condition to its existing tariff.

The condition that Ponderosa seeks to add to the service line and meter installation charges section is as follows: "If the cost to install a water service line is more than the amount authorized by the Commission, due to costs incurred by the utility for excavating an existing road, the customer is responsible for paying the actual costs incurred by the utility for opening the road."

The new condition is to meet the Coconino County standards when crossing roads, paved or unpaved, where these roads will need to be backfilled with slurry, compact tested, and repaved when pavement is removed. The Company is requesting authorization to charge customers the actual cost incurred to meet these County standards.

Staff recommends that a new condition be added to the service line and meter installation charges section by adding an asterisk to that section and the following note: "Plus road crossing cost to meet Coconino County standards." Staff believes this language provides a more accurate, succinct explanation to the Company's customers as to the basis for any cost differences from the Company's current tariff. Staff further recommends that there be no changes to the Company's current service line and meter installations charges approved by Decision No. 68085 on August 17, 2005, other than the language noted above.

There is no need for a fair value finding or a full rate case because the impact of the new condition is revenue neutral to the Company.

Arizona Corporation Commission  
**DOCKETED**

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THE COMMISISON

March 22, 2007

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Staff found that it is in the public interest to add the condition to Ponderosa's tariff schedule because the condition is prudent, reasonable and allows the Company to recover only the additional costs incurred in crossing roads for installation.

Staff recommends approval of its proposed new tariff condition to the Company's current tariff.



Ernest G. Johnson

Director

Utilities Division

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Originator: Darak R. Eaddy

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

- MIKE GLEASON  
Chairman
- WILLIAM A. MUNDELL  
Commissioner
- JEFF HATCH-MILLER  
Commissioner
- KRISTIN K. MAYES  
Commissioner
- GARY PIERCE  
Commissioner

IN THE MATTER OF THE APPLICATION  
OF PONDEROSA UTILITY  
CORPORATION'S REQUEST TO ADD A  
CONDITION TO ITS TARIFF

DOCKET NO. W-01717A-07-0114  
DECISION NO. \_\_\_\_\_

Open Meeting  
April 11 and 12, 2007  
Phoenix, Arizona

**BY THE COMMISSION:**

On February 22, 2007, Ponderosa Utility Corporation ("Ponderosa" or "Company") filed a tariff application, Docket No. W-01717A-07-0114, with the Arizona Corporation Commission ("Commission") seeking to add a new condition to its existing tariff.

\* \* \* \* \*

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

FINDINGS OF FACT

1. The condition that Ponderosa seeks to add to the service line and meter installation section is as follows: "If the cost to install a water service line is more than the amount authorized by the Commission, due to costs incurred by the utility for excavating an existing road, the customer is responsible for paying the actual costs incurred by the utility for opening the road."
2. The new condition is to meet the Coconino County standards when crossing roads, paved or unpaved, where these roads will need to be backfilled with slurry, compact tested, and

1 repaved when pavement is removed. The Company is requesting authorization to charge  
2 customers the actual cost incurred to meet these County standards.

3 3. Staff recommends that a new condition be added to the service line and meter  
4 installation charges section by adding an asterisk to that section and the following note: "Plus road  
5 crossing cost to meet Coconino County standards." Staff believes this language provides a more  
6 accurate, succinct explanation to the Company's customers as to the basis for any cost differences  
7 from the Company's current tariff.

8 4. There is no need for a fair value finding or a rate case because the impact of the  
9 new condition is revenue neutral to the Company.

10 5. Staff recommends approval of its proposed new tariff condition to the Company's  
11 current tariff schedule.

12 CONCLUSIONS OF LAW

13 1. The Company is a public water service corporation within the meaning of Article  
14 XV of the Arizona Constitution and A.R.S. §§40-250 and 40-252.

15 2. The Commission has jurisdiction over the Company and of the subject matter of the  
16 application.

17 3. It is in the public interest to add the condition to Ponderosa's tariff schedule  
18 because the condition is prudent, reasonable and allows the Company to recover only the  
19 additional costs incurred in crossing roads for installation.

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ORDER

IT IS THEREFORE ORDERED that the new condition recommended by Staff be added to Ponderosa Utility Corporation's meter and service line tariff schedule.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
BRIAN C. McNEIL  
Executive Director

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

EGJ:DRE:tdp\CHH

1 SERVICE LIST FOR: Ponderosa Utility Corporation  
DOCKET NO. W-01717A-07-0114

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