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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

2007 APR 17 A 11: 27

Arizona Corporation Commission
DOCKETED

APR 17 2007

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

AZ CORP COMMISSION
DOCUMENT CONTROL

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IN THE MATTER OF THE APPLICATION
OF ARIZONA-AMERICAN WATER
COMPANY FOR APPROVALS
ASSOCIATED WITH A TRANSACTION
WITH THE MARICOPA COUNTY
MUNICIPAL WATER CONSERVATION
DISTRICT NUMBER ONE

Docket No. W-01303A-05-0718

**Pulte Home Corporation's
Post-Hearing Brief**

Pulte Home Corporation ("Pulte"), through its undersigned attorneys, submits this Post-Hearing Brief.

Pulte Home Corporation's Requested Relief

1. If the Commission approves Arizona-American's request for hook-up fees, the approved hook-up fees should not exceed Staff's proposed graduated fees starting at \$3,280 for a 5/8 x 3/4-inch meter as described in Staff's October 27, 2006 Report, pp. 4, 6, Schedule JJD-1.

2. If the Commission approves Staff's proposed hook-up fees, the only language in Arizona-American's current water district tariff that should change should be the fee amounts, and the provisions below.

3. If the Commission approves Staff's proposed hook-up fees, the Commission should require that new language be inserted in the tariff to indicate that hook-up fee changes effective in 2007 will not be charged retroactively.

4. If the Commission approves Staff's proposed hook-up fees, the Commission should require that new language be inserted in the tariff to indicate that

1 hook-up fees are to be offset by the cost of off-site facilities (non-distribution facilities)
2 contributed to Arizona-American.

3 **Summary of Testimony**

4 Pulte Home Corporation (“Pulte”) is developing or building homes in several
5 locations in Arizona-American Water Company’s (“Arizona-American’s”) Agua Fria
6 Water District, including the White Tanks Foothills community with 579 homes, and
7 Cortessa with 126 homes. In addition, Pulte owns the Sienna Hills development, an
8 1100-home development that is the subject of Arizona-American’s Application to
9 extend its service area under its existing Certificate of Convenience and Necessity to
10 provide water and sewer utility services in its Agua Fria Water and Anthem/Agua Fria
11 Wastewater Districts, case number WS-01303A-06-0242. Arizona-American’s request
12 for hook-up fees directly impacts development costs in these communities, and these
13 costs are ultimately included in the purchase price paid by Pulte’s homeowners.

14 Pulte supports the expedited construction of a surface water treatment plant in the
15 West Valley. If the Corporation Commission approves hook-up fees as a means to
16 finance the plant, then Pulte requests the approved fees be reasonable. Pulte accepts
17 Staff’s proposed graduated fees starting at \$3,280 for a 5/8 x 3/4-inch meter as
18 described in Staff’s October 27, 2006 Report, pp. 4, 6, Schedule JJD-1. These proposed
19 fees exceed the water system fees charged by Surprise, Goodyear, Buckeye, and Peoria,
20 but are less than the fees charged in Avondale. See Exhibit P-2 (“West Valley Impact
21 Fees”), supported by the testimony of Mike Brilz on March 20, 2007.

22 Increased fee amounts should not be charged retroactively, and Pulte requests a
23 tariff provision to this effect. In addition, the approved tariff should require that
24 Arizona-American credit against hook-up fees the amounts developers pay for off-site
25 facilities contributed to Arizona-American as a contribution in aid of construction since
26 the intent of the hook-up fees is to fund facilities providing a regional benefit.

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Pulte thanks the Commission for the opportunity to participate in this matter.
RESPECTFULLY SUBMITTED this 17th day of April, 2007.

RYLEY CARLOCK & APPLEWHITE

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I hereby certify that I have this
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served the foregoing documents
on all parties of record in this
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