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BEFORE THE ARIZONA CORPORATION COMMIS

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IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS AGUA FRIA WATER DISTRICT, HAVASU WATER DISTRICT, MOHAVE WATER DISTRICT, PARADISE VALLEY DISTRICT, SUN CITY WEST WATER DISTRICT AND TUBAC WATER DISTRICT.

DOCKET NO. W-01303A-08-0227

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS MOHAVE WASTEWATER DISTRICT.

DOCKET NO. SW-01303A-08-0227

DECISION NO. 71410

NOTICE OF COMPLIANCE FILING

In compliance with Decision No. 71410, Arizona-American Water Company hereby files the attached 2011 calendar year Off-Site Facilities Hook-Up Fee status report for the Mohave Wastewater district.

RESPECTFULLY SUBMITTED on January 27, 2012.

Sandra L. Murrey

Sandra L. Murrey
Rate Analyst
Arizona-American Water Company
2355 W. Pinnacle Peak Rd., Suite 300
Phoenix, AZ 85027

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1 Original and 13 copies **filed**
2 on January 27, 2012, with:
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4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington
7 Phoenix, Arizona 85007
8
9 Copies of the foregoing **emailed**
10 on January 27, 2012 to:
11
12 Brian K. Bozzo
13 Compliance and Enforcement Manager
14 Utilities Division
15 1200 West Washington Street
16 Phoenix, AZ 85007

**Arizona American Water Company
Mohave Wastewater District
Off Site Facilities Hook-Up Fees
For the Year 2011**

<u>Date</u>	<u>Amount</u>	<u>Developer/Builder/Individual</u>
	\$ 785	Beginning Balance
1/4/2011	1,035	Arnett, William (5108 W Malachite Pl, Tucson, AZ 85742)
5/13/2011	500	Stahl, Craig (3530 Tahitian Circle, Lake Havasu City, AZ 86406)
8/5/2011	1,035	Brookfield Communities (2367 Stardust Dr., Bullhead City, AZ 86442)
	<hr/>	
	\$ 2,570	Total Collected in 2011
	<hr/>	
	\$ 3,355	Total Collections since inception of tariff per Decision No. 71410.

1 IT IS FURTHER ORDERED that the first calendar year Off-Site Facilities Hook-Up Fee
2 status report for the Mohave Wastewater district shall be due on January 31, 2011, covering the
3 timeframe from inception of the tariff through December 31, 2010.

4 IT IS FURTHER ORDERED that Arizona-American Water Company shall lower the amount
5 of its existing CAP Surcharge for the Paradise Valley Water district to account for the difference
6 between the former \$22.62 per acre foot SRP water delivery and administrative charges and the
7 current \$8.00 per acre foot CAWCD storage cost, taking into account any overcollection that has
8 occurred since the date of the changes in the Company's CAP Surcharge costs.

9 IT IS FURTHER ORDERED that Arizona-American Water Company is hereby authorized to
10 implement the ACRM for its Tubac Water district as presented in the application, but without any
11 predetermination regarding engineering overheads.

12 IT IS FURTHER ORDERED that Arizona-American Water Company is hereby authorized to
13 defer incremental operating and maintenance expenses related to the operation of the White Tanks
14 Plant commencing with the in-service date through and until the date of issuance of a rate order that
15 considers the reasonableness of such expenses as recoverable operating expenses, in accordance with
16 the following:

17 (1) The deferral shall be allowed only if Arizona-American is the sole owner and operator
18 of the White Tanks Plant.

19 (2) Arizona-American Water Company shall defer for consideration of future recovery
20 White Tanks Plant expenses to include: labor and labor-related benefits associated with personnel to
21 operate the White Tanks Plant; power costs; chemicals; waste disposal expenses; operating supplies;
22 and any other expenses directly associated with the operation of the White Tanks Plant. These
23 expenses shall be tracked and recorded in a deferral account limited exclusively to White Tanks Plant
24 costs.

25 (3) Arizona-American Water Company shall offset the amount deferred by all operating
26 cost savings realized elsewhere in the Company's Agua Fria system that result from the reduction in
27 water production from existing groundwater sources displaced by treated surface water from the
28 White Tanks Plant. Arizona-American Water Company shall track such operating cost savings