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BEFORE THE ARIZONA CORPORATION COMMISSION

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GARY PIERCE
Chairman
BOB STUMP
Commissioner
SANDRA D. KENNEDY
Commissioner
PAUL NEWMAN
Commissioner
BRENDA BURNS
Commissioner

Arizona Corporation Commission
DOCKETED

APR - 5 2012

DOCKETED BY
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IN THE MATTER OF THE APPLICATION
OF FAR WEST WATER AND SEWER
COMPANY FOR APPROVAL OF A SEWER
MAIN EXTENSION TARIFF

DOCKET NO. WS-03478A-08-0256
DECISION NO. 73083
ORDER

Open Meeting
March 27 and 28, 2012
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On January 27, 2012, Far West Water and Sewer Company ("Far West" or "Company") filed an application for approval of a sewer main extension tariff in compliance with Decision No. 72594 issued on September 15, 2011, in Docket No. WS-03478A-08-0256, a formal complaint filed by Spartan Homes against Far West. After consultation with Staff, Far West filed an amended tariff on February 28, 2012.
2. Far West is a public service corporation engaged in providing water and sewer services to the public in Yuma, Arizona.
3. Decision No. 72594 found that Far West did not have a "Commission-approved main extension tariff" as required by Arizona Administrative Code ("A.A.C.") R14-2-606 and ordered that Far West "file with the Commission, within 90 days of the effective date of this Decision, an application for approval of a sewer main extension tariff, pursuant to A.A.C. R14-2-606, for Commission approval."

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ORDER

IT IS THEREFORE ORDERED that the application of Far West Water and Sewer Company for approval of the attached Wastewater Main Extension Tariff is approved.

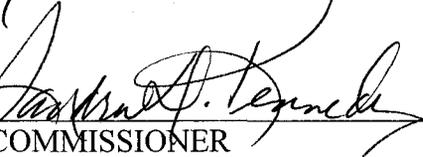
IT IS FURTHER ORDERED that the attached tariff be docketed, as a compliance matter in this docket, in its final form within 30 days of the effective date of this Decision.

IT IS FURTHER ORDERED that this Decision become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

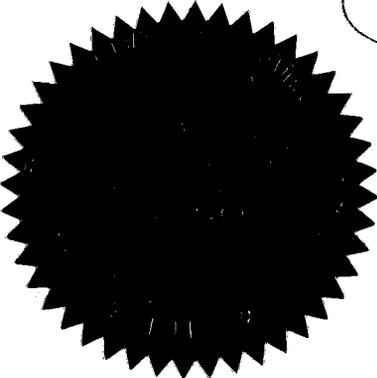

CHAIRMAN


COMMISSIONER


COMMISSIONER


COMMISSIONER


COMMISSIONER



IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, 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 4th day of April, 2012.



ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:VLW:WVC

1 SERVICE LIST FOR: Far West Water and Sewer Company
2 DOCKET NO. WS-03478A-08-0256

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16 Ms. Janice M. Alward
17 Chief Counsel, Legal Division
18 Arizona Corporation Commission
19 1200 West Washington Street
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		Revised	Sheet No.	
Far West Water and Sewer Company		Cancelling	Sheet No.	
Docket No.				

**RULE NO. S-1
SEWER MAIN EXTENSIONS**

A. APPLICANTS FOR EXTENSIONS OF SEWER MAINS.

1. Upon request by a potential applicant for a sewer main extension, the Company shall prepare, at no charge to the potential applicant, a preliminary sketch and rough estimate of the cost of constructing the main extension.
2. Where a potential applicant for a sewer main extension requests the Company to prepare detailed plans, specifications and cost estimates of the proposed main extension, the potential applicant shall deposit with the Company an amount equal to the estimated cost of preparing the detailed plans, specifications and cost estimates. Upon receipt of the deposit, the Company shall prepare the detailed plans, specifications and cost estimates of the proposed main extension and make them available to the potential applicant within 90 days. Where the potential applicant accepts the plans and the Company proceeds with construction of the main extension, the deposit shall be credited toward the cost of construction to be paid by applicant as an advance in aid of construction. If the potential applicant does not accept the plans within 60 days from the date the plans were made available to the potential applicant, the deposit shall become non-refundable.
3. The Company has the right to require the over-sizing of sewer mains and related facilities to be constructed for an applicant; provided, however, that the Company shall pay the additional cost of over-sizing the mains and related facilities. In such event, appropriate details of the over-sizing shall be set forth in the plans, specification and cost estimates for the main extension.
4. The Company shall provide each applicant for a sewer main extension with a copy of this extension tariff prior to the execution of a main extension agreement. The Company shall not commence construction of any main extension prior to the execution of a main extension agreement between the Company and the applicant, pursuant to the provisions of this extension tariff.

ISSUED	(Month, Day, Year)		EFFECTIVE	(Month, Day, Year)
		ISSUED BY: Andrew J. Capestro 13157 E. 44 th Street Yuma, Arizona 85367		
		Decision No.		

Decision No. 73083

		Revised	Sheet No.	
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Docket No.				

B. ADVANCES IN AID OF CONSTRUCTION; REFUNDS

1. An applicant for the extension of a sewer main or mains shall pay to the Company, as an advance in aid of construction, before construction is commenced, the estimated reasonable cost of constructing the main or mains, including all service pipelines, valves, fittings, other costs and reasonable overheads.
2. In those instances where the cost of a requested sewer main extension is disproportionate to the anticipated revenues to be derived from future customers using the main, the Company may require the applicant to provide additional funds to the Company which will make the main extension economically feasible. The methodology employed by the Company in determining economic feasibility shall be applied uniformly and consistently to each applicant requiring a main extension.
3. Each year, the Company shall pay to the party making an advance in aid of construction under a sewer main extension agreement, or that party's assigns or successors-in-interest (provided that the Company has received notice and evidence of such assignment or succession), 5% of the total gross annual revenue (less any sales taxes, franchise taxes, privilege taxes or similar taxes and any amounts payable to any municipality or other entity for treatment and/or transmission of sewage) from each bona fide customer whose service line is connected directly to the sewer main covered by the main extension agreement. Refunds shall be made by the Company on or before August 31st of each year, covering any refunds owing from revenues received during the preceding July 1st to June 30th period. If after 20 years from the Company's receipt of the advance, the advance has not been fully refunded, the advance shall be entered as a contribution in aid of construction in the accounts of the Company, and shall not thereafter be refundable.
4. The aggregate refunds of advances in aid of construction paid to a party under a sewer main extension agreement shall not exceed the total of the advances paid by that party. No interest shall be paid by the Company on any advances in aid of construction. The Company shall make no refunds from any revenue received from any lines, other than customer service lines, leading up to or taking off from the main or mains covered by the extension agreement.

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5. The Company may, upon approval by the Commission, terminate its obligation to make refunds under a sewer main extension agreement by accord and satisfaction of its obligations under that agreement.
6. A party to a sewer main extension agreement may request from the Company an annual survey to determine if additional customers have been connected to and are using service from the sewer main covered by the extension agreement.

C. SEWER MAIN EXTENSION AGREEMENTS; CONTENTS,

1. All sewer main extension agreements shall be evidenced by a written agreement, and signed by the Company and the party or parties advancing funds, or the duly authorized agents of each.
2. The size, design, type and quality of materials of the sewer main extension, the installed location in the ground, and the manner of installation shall all be as specified by the Company, and shall be in accordance with the requirements of the Arizona Corporation Commission and all other governmental entities having authority over the construction and operation of the sewer system. The Company may install line extensions of any size meeting the requirements of the Commission and any other governmental entities having authority over the construction and operation of the sewer system.
3. Each sewer main extension agreement shall, at a minimum, include the following information:
 - a. Name and address of applicant(s).
 - b. Proposed service address or location.
 - c. Description of requested service.
 - d. Description and sketch of the requested main extension.
 - e. Itemized cost estimate to include materials, labor, and other costs as necessary.
 - f. Payment terms.
 - g. A clear and concise explanation of any refunding provisions, if applicable.
 - h. The Company's estimated start date and completion date for construction of the sewer main extension.
4. Each applicant for a sewer main extension shall be provided with a copy of the executed extension agreement.

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5. All facilities installed under a sewer main extension agreement shall become the sole property of the Company, and parties making advances in aid of construction shall have no right, title or interest in any such facilities.
6. The Company shall schedule all new requests for sewer main extensions promptly and in the order received.
7. No sewer main extensions shall be commenced by the Company, or installations made by any applicant, without first having received approval of the plans and specifications for such extensions or installations from the Arizona Department of Environmental Quality or its designated agent. A copy of such written approval shall be filed with the Arizona Corporation Commission upon request.
8. In case of a disagreement or dispute between an applicant and the Company regarding this extension tariff or any sewer main extension, any party may refer the matter to the Arizona Corporation Commission for hearing and a decision in accordance with the Rules of Practice and Procedure of the Commission.
9. The Company may modify the terms and conditions of this extension tariff upon approval by the Arizona Corporation Commission.

D. FINAL COST OF SEWER MAIN EXTENSION.

1. In the event the actual cost of constructing a sewer main extension is less than the estimated cost advanced by the applicant, the Company shall refund the excess to the applicant within 30 days after completion of construction or after the Company has received all invoices, timesheets and other related documents for the project, whichever is later.
2. In the event the actual cost of constructing the sewer main extension is more than the estimated cost advanced by the applicant, the Company shall bill the applicant for the additional amount due of up to ten percent of the original estimate within 30 days after completion of construction or after the Company has received all invoices, timesheets and other related documents for the project, whichever is later. The amount billed shall not be more than ten percent of the estimate and shall be due and payable 30 days after the invoice date.

E. TEMPORARY SEWER SERVICE.

1. The Company will provide sewer service on a temporary basis provided that the Company has capacity available in excess of the Company's regular needs, and provided the Company has available material and equipment necessary to supply such temporary service. Each applicant for temporary sewer service must pay the

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Company, in advance, the Company's estimate of the cost of labor and materials, less salvage value on removal, for installing and removing such temporary service. In the event that the actual cost of installing and removing the temporary sewer service is less than the estimated amount paid by the applicant, the Company shall refund such excess amount to the applicant within 30 days following the removal of the service.

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