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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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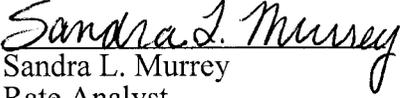
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<p>IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR AUTHORITY TO IMPLEMENT ARSENIC COST RECOVERY MECHANISMS FOR ITS AGUA FRIA WATER, SUN CITY WATER WEST, HAVASU WATER AND TUBAC WATER DISTRICTS.</p>	<p>DOCKET NO. W-01303A-05-0280 DECISION NO. 68310 NOTICE OF COMPLIANCE FILING</p>
<p>IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., 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 SUN CITY WEST WATER AND WASTEWATER DISTRICTS.</p>	<p>DOCKET NO. WS-01303A-02-0867 Arizona Corporation Commission DOCKETED JAN 15 2015 DOCKETED BY </p>
<p>IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., 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 WATER DISTRICT AND ITS HAVASU WATER DISTRICT.</p>	<p>DOCKET NO. WS-01303A-02-0869</p>
<p>IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., 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, BY ITS ANTHEM WATER DISTRICT, AND ITS ANTHEM/AGUA FRIA WASTEWATER DISTRICTS</p>	<p>DOCKET NO. WS-01303A-02-0870</p>

1 In compliance with Decision No. 68310, EPCOR Water Arizona, Inc. hereby files the
2 attached 2014 Havasu Arsenic Hook Up Fee Report.

3 RESPECTFULLY SUBMITTED on January 15, 2015.
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8 Sandra L. Murrey
9 Rate Analyst
10 EPCOR Water Arizona, Inc.
11 2355 W. Pinnacle Peak Rd, Suite 300
12 Phoenix, AZ 85027
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17 Original and 13 copies **filed**
18 on January 15, 2015 with:

19
20 Docket Control
21 Arizona Corporation Commission
22 1200 West Washington Street
23 Phoenix, Arizona 85007
24

25 Copies of the foregoing **emailed**
26 on January 31, 2015 to:

27
28 Brian K. Bozzo
29 Compliance and Enforcement Manager
30 Utilities Division
31 1200 West Washington Street
32 Phoenix, AZ 85007

**EPCOR Water Arizona, Inc.
Havasu District
Arsenic Impact Fee
For the Year 2014**

<u>Date</u>	<u>Amount</u>	<u>Developer/Builder/Individual</u>	
	\$ 133,545	Prior Year Balance	
2/3/2014	\$ 870	Lawler Construction	1790 E Savannah Dr
2/10/2014	870	River Ridge Builders	1906 E Birkdale Lane
2/10/2014	870	River Ridge Builders	1904 E Birkdale
2/26/2014	870	Terry Gray	3790 N Tradition Way
3/24/2014	870	Lawler Construction	1748 E Azalea Ave
3/24/2014	870	Lawler Construction	1756 E Azalea Ave
3/20/2014	870	Lawler Construction	1819 E Savannah Dr
3/20/2014	870	Lawler Construction	1740 E Chestnut Blvd
4/8/2014	870	Lawler Construction	1931 E Savannah Dr
4/8/2014	870	Lawler Construction	1179 E Savannah Dr
4/8/2014	870	Lawler Construction	1757 E Savannah Dr
4/8/2014	870	River Ridge Builders	3451 N Latrobe Dr
8/14/2014	870	Paradise Homes of Havasu Inc	1878 E Traditional Lane
8/14/2014	870	Paradise Homes of Havasu Inc	3742 N Tradition Way
8/14/2014	870	Paradise Homes of Havasu Inc	1781 E Tradition Lane
8/14/2014	870	Paradise Homes of Havasu Inc	3762 N Masters Court
8/4/2014	870	Paul LeWay	3127 Lake Drive
10/1/2014	870	Bridge Core Builders	1706 E Tradition LN LHC, AZ
10/10/2014	870	River Ridge Builders	3724 N Masters Court
10/10/2014	870	River Ridge Builders	1977 E Troon Drive
12/8/2014	870	Mountain Desert Devt	1694 E. Tradition Ln
12/8/2014	870	Mountain Desert Devt	1813 E. Deacon Dr
12/5/2014	2,175	Jim Harris Advanced Homes Inc	3532 Latrobe Drive N
	<u>\$ 21,315</u>	Total Collected in 2014	
	<u><u>\$ 154,860</u></u>	Life to Date Collections	

Amount Spent and List of Facilities Installed with Funds

The Havasu Arsenic Impact Fee (AIF) is collected to offset the costs of the Arsenic Removal Facilities installed in our Havasu Water district. At our Havasu Water Plant #4, water is supplied by 2 ground water wells, both of which were contaminated with arsenic above the U.S. Environmental Protection Agency maximum contaminant levels. The Company completed the capital project to remediate the arsenic contamination, with the facilities going in-service in 2006 at an approximate cost of \$2.196 million. All AIF collected since the inception and ongoing are to offset the costs of this plant. The Arsenic Impact Fee is still in effect.

1 in Staff's AIF Tariff Schedule, and as further modified at the hearing, shall be approved.

2 IT IS FURTHER ORDERED that Arizona-American Water Company shall comply with all
3 requirements discussed in this Order as a condition of approval of the Arsenic Cost Recovery
4 Mechanism.

5 IT IS FURTHER ORDERED that Arizona-American Water Company shall file a plan with
6 Docket Control by December 31, 2005 that describes how the Company expects to attain and
7 maintain a capital structure (equity, long-term debt, and short-term debt) with equity representing
8 between 40 and 60 percent of total capital.

9 IT IS FURTHER ORDERED that Arizona-American Water Company shall file, by April 1st
10 of each year subsequent to any year in which it collects surcharges under an ACRM, a report with
11 the Utilities Division Director showing the Company's ending capital structure by month for the
12 prior year.

13 IT IS FURTHER ORDERED that Arizona-American Water Company shall modify the rate
14 base calculation for the Havasu Water District to explicitly show a deduction for Arsenic Impact Fee
15 collections.

16 IT IS FURTHER ORDERED that, as part of the Earnings Test schedule filed in support of the
17 ACRM, Arizona-American Water Company shall incorporate adjustments conforming to Decision
18 No. 67093.

19 IT IS FURTHER ORDERED that Arizona-American Water Company shall file the schedules
20 discussed in its application, as modified by Staff's recommendations herein. Microsoft Excel or
21 compatible electronic versions of the filings and all work papers should be filed concurrently with all
22 ACRM filings.

23 IT IS FURTHER ORDERED that Arizona-American Water Company shall file permanent
24 rate applications for its Sun City West, Agua Fria, and Havasu districts by no later than April 30,
25 2008, based on a 2007 test year.

26 IT IS FURTHER ORDERED that, for the Havasu District, Arizona-American Water
27 Company shall file with Docket Control by January 31st of each year, an annual calendar year status
28 report, until the AIF Tariff is no longer in effect. The status report shall contain a list of all

1 customers that have paid the AIF, the amount each customer has paid, the amount of money spent
2 from the AIF, and a list of all facilities that have been installed with funds from the AIF Tariff
3 during the 12-month period

4 IT IS FURTHER ORDERED that Arizona-American Water Company shall file the schedules
5 and information described above, as well as any additional relevant data requested by Staff, as part of
6 any request for an Arsenic Cost Recovery Mechanism step increase.

7 IT IS FURTHER ORDERED that Arizona-American Water Company shall annually file as
8 part of its annual report, an affidavit with the Utilities Division attesting that the Company is current
9 in paying its property taxes in Arizona.

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