

Utility: Las Quintas Serenas Water Co.
 Docket No: W-01583A-06-0436
 Phone No. 520.625.8040

Tariff Sheet No: 1 of 3
 Decision No: _____
 Effective: _____

ARSENIC IMPACT HOOK-UP FEE TARIFF

I. Purpose and Applicability

The purpose of the Arsenic Impact Fee Tariff, payable to **Las Quintas Serenas Water Co.** ("the Company") pursuant to this tariff, is to equitably apportion the costs of constructing water treatment plant facilities to treat and remove arsenic. These charges are applicable to all new service connections established on or after the effective date of the tariff. The charges are one-time charges and are payable as a condition to the Company's establishment of service, as more particularly provided below.

II. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

"Applicant" means any party entering into an agreement with the Company for the installation of water facilities to serve new service connections.

"Arsenic Treatment Facilities" means treatment equipment and related appurtenances necessary for the removal of arsenic through treatment of water to meet the 10 parts per billion ("ppb") arsenic standards.

"Company" means **Las Quintas Serenas Water Co.**, an Arizona corporation.

"Main Extension Agreement" means any agreement whereby an applicant agrees to advance the costs of the installation of water facilities to the Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Commission's Utilities Division (same as line extension agreements).

"Service Connection" means and includes all service connections for residential, commercial, industrial, or other uses, regardless of meter size.

III. Arsenic Impact Hook-Up Fee Tariff Charges

Each new service connection shall pay the Arsenic Impact Hook-Up Fee Tariff derived from the following table:

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ARSENIC IMPACT HOOK-UP FEE TARIFF TABLE		
Meter Size	Meter Factor	Fee
5/8" X 3/4"	1	\$1,135
3/4"	1½	\$1,703
1"	2½	\$2,838
1 1/2"	5	\$5,675
2"	8	\$9,080
3"	16	\$18,160
4"	25	\$28,375
6"	50	\$56,750

IV. Terms and Conditions

- (A) Assessment of One-Time Arsenic Impact Hook-Up Fee: The Arsenic Impact Hook-Up Fee may be assessed only once per service connection (similar to service line and meter installation charges), or lot within a platted subdivision (similar to OFF-SITE FACILITIES HOOK-UP FEES). This provision does not exempt from the tariff, any newly created parcel(s) which are the result of further subdivision of a lot or land parcel and which do not have a service connection.

- (B) Use of Arsenic Impact Hook-Up Fee Funds: All funds collected by the Company pursuant to the Arsenic Impact Fee Tariff shall be deposited with a financial institution in a separate account. The Company shall maintain a subsidiary ledger to account for all collections and uses of the fees. Funds collected from the Fee can only be used to pay direct costs of the arsenic remediation system, debt service on the loans to acquire that system or to repay amounts advanced by the Company to pay for the remediation system from the Company's other accounts. Funds collected by the Arsenic Impact Hook-Up Fee Tariff shall not be used for expenses, maintenance, or operational purposes.

- (C) Time of Payment:
 - i. In the event that the Applicant is required to enter into a main extension agreement, whereby the Applicant agrees to advance the costs of installing mains, valves, fittings, hydrants, and other on-site improvements in order to extend service in accordance with R-14-2-406(B), payment of the charges required hereunder, as to service connections to be served through such facilities and improvements, shall be made by the Applicant within fifteen (15) calendar days after receipt of notification from the Company that the Utilities Division of the Commission has approved the main extension agreement in accordance with R-14-2-406(M).

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- ii. In the event the Applicant is not required to enter into a main extension agreement, the charges hereunder shall be due and payable at the time the service line and meter installation charge is due and payable.
- (D) Failure to Pay Charges, Delinquent Payments: Under no circumstances will the Company set a meter or otherwise allow service to be established if the Applicant has not paid in full all charges as provided by this tariff.
- (E) Arsenic Impact Hook-Up Fee Tariff Non-Refundable: The amounts collected by the Company pursuant to the tariff shall be non-refundable advances in aid of construction.
- (F) Arsenic Impact Hook-Up Fee in Addition to Other Charges: The Arsenic Impact Hook-Up Fee shall be in addition to any costs associated with a main extension agreement otherwise required for on-site facilities, and is in addition to the amounts to be advanced pursuant to charges authorized under other sections of this tariff.
- (G) Disposition of Excess Funds: After funds are collected equal to the cost of all Arizona Department of Environmental Quality required arsenic treatment facilities or the tariff has been terminated by order of the Commission, any funds not necessary to pay for arsenic treatment facilities remaining shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.
- (H) Distinguished from Arsenic Cost Recovery Mechanism: The Arsenic Impact Hook-Up Fee which is the subject of this tariff is separate and to be distinguished from the Arsenic Cost Recovery Mechanism which was authorized as a part of the Company's charges for water service in Commission Decision No. 68718.
- (I) Distinguished from Existing Off-Site Facilities Hook-Up Fees: The Arsenic Impact Hook-Up Fee which is subject of this tariff is separate and to be distinguished from the Existing Off-Site Facilities Hook-Up Fees which was authorized as part of the Company's charges for water service in Commission Decision No. 67455, dated January 1, 2005.
- (J) Status Reporting Requirement to the Commission: The Company shall file with Docket Control by January 31st of each year, an annual calendar year status report, until the Arsenic Impact Hook-Up Fee Tariff is no longer in effect. This status report shall contain a list of all customers that have paid the Arsenic Impact Hook-Up Fee Tariff, the amount of money spent from the account, and a list of the facilities that have been installed with funds from the Arsenic Impact Hook-Up Fee Tariff for arsenic during the 12-month period.