CRAIG A MARKS PL

E000003840 W-02192A-19-0301

10645 N. Tatum Blvd. Suite 200-676 Phoenix, AZ 85028

NEW APPLICATION

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November 29, 2019

Docket Control Arizona Corporation Commission 1200 W. Washington St. Phoenix, AZ 85007

Re: Tariff Filing

Little Park Water Company Docket No. W-02192A-19-

Attached is a revised Arsenic Impact Hook-up Fee Tariff. The purpose of the filing is to gross-up the hook-up fees by 33.1%, as authorized by Decision No. 77134, to respond to the Tax Cut and Jobs Act of 2017, which made taxable advances and contributions to water and wastewater companies. Also, new language is included in the tariff to clarify the hook-up fee payment responsibility if an existing customer increases water usage such that a larger meter is required.

A red-lined copy of the tariff is also attached that compares the revised tariff to the existing one. Thank you.

Craig A. Marks

Attorney for Little Park Water Company

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ARSENIC IMPACT HOOK-UP FEE TARIFF

I. Purpose and Applicability

The purpose of the Arsenic Impact Hook-up Fee Tariff payable to Little Park Water Company, Inc. ("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 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 Little Park Water Company, Inc., 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 agreement).
- "New Service Connection" means either service to a parcel that has not previously been served by the Company or an increase in service to an existing parcel that requires installation of a larger meter.
- "Service Connection" means and includes all service connections for residential, commercial, industrial, or other uses, regardless of meter size.

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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:

Meter Size	Meter Factor	Fee
5/8" _x 3/4"	1.	\$2,196.15
3/4"	1.2	\$2,635.38
1"	2	\$4,392.30
1-1/2"	4	\$8,784.60
2"	6.4	\$14,055.36
3"	12	\$26,353.80
4"	20	\$43,923.00
6" or larger	40	\$87,846.00

For an increase in service that requires a larger meter, the new service hook-up fee will be equal to the difference between the fee set forth in the above table for the existing meter size and the fee in the table for the new meter size.

IV. Terms and Conditions

- (A) Assessment of One Time Arsenic Impact Hook-up Fee Tariff Charge: The Arsenic Impact Hook-up Fee Tariff may be assessed only once per service connection, or lot within a platted subdivision (similar to service line and meter installation charges). However, 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) <u>Use of Arsenic Impact Hook-up Fee Tariff</u>: Arsenic Impact Hook-up Fee Tariff may only be used to pay for capital items of arsenic treatment facilities (including engineering and design costs for such facilities), or for repayment of loans obtained for installation of arsenic treatment facilities. Arsenic Impact Hook-up Fee Tariff shall not be used for expenses, maintenance, or operational purposes.

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(C) Time of Payment:

- (1) 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 shall be made by the Applicant within 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).
- (2) 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) <u>Failure to Pay Charges, Delinquent Payments</u>: 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) <u>Arsenic Impact Hook-up Fee Tariff Non-refundable</u>: The amounts collected by the Company pursuant to the tariff shall be non-refundable advances in aid of construction.
- (F) <u>Use of Charges Received</u>: All funds collected by the Company pursuant to the tariff shall be deposited into a separate interest bearing trust account and used solely for the purposes of paying for the costs of arsenic treatment facilities (including engineering and design costs for such facilities), including repayment of loans obtained for the installation of arsenic treatment facilities that will benefit the entire water system.
- (G) Arsenic Impact Hook-up Fee Tariff in Addition to Other Charges: The tariff shall be in addition to any costs associated with a main extension agreement for on-site facilities, and are in addition to the amounts to be advanced pursuant to charges authorized under other sections of this tariff.
- (H) <u>Disposition of Excess Funds</u>: After all necessary funds are collected to pay for 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 in the trust shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

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