

Commission Rules on Water

All water companies that fall within the jurisdiction of the Arizona Corporation Commission must abide by the rules and regulations of Title 14, Article 4 of the Arizona Administrative Code.

Title 14, Article 4 of the Arizona Administrative Code covers most of the water industry rules and regulations. For your convenience, we have copied all of Title 14, Article 4 below.

R14-2-401. Definitions

In this Article, unless the context otherwise requires, the following definitions shall apply:

1. "Advance in aid of construction". Funds provided to the utility by the applicant under the terms of a main extension agreement the value of which may be refundable.
2. "Applicant". A person requesting the utility to supply water service.
3. "Application". A request to the utility for water service, as distinguished from an inquiry as to the availability or charges for such service.
4. "Arizona Corporation Commission". The regulatory authority of the state of Arizona having jurisdiction over public service corporations operating in Arizona.
5. "Billing month". The period between any 2 regular readings of the utility's meters at approximately 30 day intervals.
6. "Billing period". The time interval between 2 consecutive meter readings that are taken for billing purposes.
7. "Commodity charge". The unit of cost per billed usage, as set forth in the utility's tariffs.
8. "Contributions in aid of construction". Funds provided to the utility by the applicant under the terms of a main extension agreement and/or service connection tariff the value of which are not refundable.
9. "Customer". The person or entity in whose name service is rendered, as evidenced by the signature on the application or contract for that service, or by the receipt and/or payment of bills regularly issued in his name regardless of the identity of the actual user of the service.
10. "Customer charge". The amount the customers must pay the utility for the availability of water service, excluding any water used, as specified in the utility's tariffs.
11. "Day". Calendar day.
12. "Distribution main". A water main of the utility from which service connections may be extended to customers.
13. "Interruptible water service". Water service that is subject to interruption or curtailment.
14. "Main extension". The mains and ancillary equipment necessary to extend the existing water distribution system to provide service to additional customers.
15. "Master meter". A meter for measuring or recording the flow of water at a single location where said water is transported through an underground piping system to tenants or occupants for their individual consumption.

16. "Meter". The instrument for measuring and indicating or recording the volume of water that has passed through it.
17. "Meter tampering". A situation where a meter has been illegally altered. Common examples are meter bypassing, use of magnets to slow the meter recording, and broken meter seals.
18. "Minimum charge". The amount the customer must pay for the availability of water service, including an amount of usage, as specified in the utility's tariffs.
19. "Minimum delivery pressure". 20 pounds per square inch gauge at the meter or point of delivery.
20. "Permanent customer". A customer who is a tenant or owner of a service location who applies for and receives water service.
21. "Permanent service". Service which, in the opinion of the utility, is of a permanent and established character. The use of water may be continuous, intermittent, or seasonal in nature.
22. "Person". Any individual, partnership, corporation, governmental agency, or other organization operating as a single entity.
23. "Point of delivery". The point where facilities owned, leased, or under license by a customer connect to the utility's pipes or at the outlet side of the meter.
24. "Premises". All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided by public streets, alleys or railways.
25. "Residential subdivision development". Any tract of land which has been divided into 4 or more contiguous lots for use for the construction of residential buildings or permanent mobile homes for either single or multiple occupancy.
26. "Residential use". Service to customers using water for domestic purposes such as personal consumption, water heating, cooking, and other residential uses and includes use in apartment buildings, mobile home parks, and other multiunit residential buildings.
27. "Rules". The regulations set forth in the tariffs which apply to the provision of water service.
28. "Service area". The territory in which the utility has been granted a Certificate of Convenience and Necessity and is authorized by the Commission to provide water service.
29. "Service establishment charge". The charge as specified in the utility's tariffs which covers the cost of establishing a new account.
30. "Service line". A water line that transports water from a common source (normally a distribution main) of supply to the customer's point of delivery.
31. "Service reconnect charge". The charge as specified in the utility's tariffs which must be paid by the customer prior to reestablishment of water service each time the water is disconnected for nonpayment or whenever service is discontinued for failure otherwise to comply with the utility's fixed rules.
32. "Service reestablishment charge". A charge as specified in the utility's tariffs for service at the same location where the same customer had ordered a service disconnection within the

preceding 12-month period.

33. "Single family dwelling". A house, an apartment, a mobile home permanently affixed to a lot, or any other permanent residential unit which is used as a permanent home.

34. "Tariffs". The documents filed with the Commission which list the services and products offered by the water company and which set forth the terms and conditions and a schedule of the rates and charges for those services and products.

35. "Temporary service". Service to premises or enterprises which are temporary in character, or where it is known in advance that the service will be of limited duration. Service which, in the opinion of the utility, is for operations of a speculative character is also considered temporary service.

36. "Utility". The public service corporation providing water service to the public in compliance with state law.

Historical Note Adopted effective March 2, 1982 (Supp. 82-2).

R14-2-402. Certificate of Convenience and Necessity for water utilities; Extensions of Certificates of Convenience and Necessity for Water Utilities; Abandonment, Sale, Lease, Transfer, or Disposal of a Water Utility; Discontinuance or Abandonment of Water Utility Service

this Section, unless otherwise specified:

"Applicant" means a person who submits an application to obtain a Certificate of Convenience and Necessity to construct water utility facilities or operate as a water utility or to extend the service area under an existing Certificate of Convenience and Necessity held by the person.

"CC&N" means Certificate of Convenience and Necessity.

"Commission" means the Arizona Corporation Commission.

"Contiguous" means in actual contact, touching, such as by sharing a common border.

"Extension area" means the geographic area that an applicant is requesting to have added to the applicant's existing CC&N service area.

B. Application for a new CC&N or extension of a CC&N

1. Any person who desires to construct water utility facilities or to operate as a water utility shall, prior to commencing construction of utility facilities or operations, file with the Commission an application for a CC&N and obtain Commission approval.
2. Any utility that desires to extend its CC&N service area shall file with the Commission an application for a CC&N extension.
3. Before filing an application for a CC&N or a CC&N extension, a person shall provide written notice of the person's intention to file the application to each person who owns land within the proposed service area or extension area and who has not requested service. Each written notice to a landowner shall include, at a minimum:

- a. The legal name, physical address, mailing address (if different), and telephone number of the intended applicant;
- b. The approximate date by which the application will be filed;
- c. The type of services to be provided if the application is approved;
- d. The physical addresses and toll-free telephone numbers, in Phoenix and Tucson, for the Consumer Services Section of the Commission; and
- e. The following information:
 - i. That the recipient is a property owner within the proposed service area or extension area;
 - ii. That if the application is granted, the intended applicant will be the exclusive provider of the specific services to the proposed service area or extension area and will be required by the Commission to provide those services under rates and charges and terms and conditions established by the Commission;
 - iii. That a CC&N does not prohibit persons from providing services only to themselves using their own facilities on their own property, although other applicable laws may restrict such activity;
 - iv. That the application is available for inspection during regular business hours at the offices of the Commission and at the offices of the intended applicant;
 - v. That the Commission will hold a hearing on the application;
 - vi. That the landowner may have the right to intervene in the proceeding and may appear at the hearing and make a statement on his or her own behalf even if the landowner does not intervene;
 - vii. That the landowner may contact the Commission for the date and time of the hearing and for information on intervention;
 - viii. That the landowner may not receive any further notice of the application proceeding unless requested; and

ix. That the landowner may contact the intended applicant or the Consumer Services Section of the Commission if the landowner has any questions or concerns about the application, has any objections to approval of the application, or wishes to make a statement in support of the application.

4. Within 10 days after filing an application for a CC&N or a CC&N extension, an applicant shall provide written notice of the application to the municipal manager or administrator of each municipality with corporate limits that overlap with or are within five miles of the proposed service area or extension area. Each written notice shall include, at a minimum:
 - a. The applicant's legal name, mailing address, and telephone number.
 - b. The date the application was filed;
 - c. The type of services to be provided if the application is approved;
 - d. A description of the requested service area or extension area, expressed in terms of cadastral (quarter section) or metes and bound survey;
 - e. The Commission docket number assigned to the application; and
 - f. Instructions on how to obtain a copy of the application.

5. Each application for a new CC&N or CC&N extension shall be submitted in a form and number prescribed by the Commission and shall include, at a minimum, the following information:
 - a. The applicant's legal name, mailing address, and telephone number
 - b. If the applicant will or does operate the utility under a different business name, the name under which the applicant will be doing business;
 - c. The full name, mailing address, and telephone number of a management contact for the applicant;

- d. The full name, mailing address, and telephone number of the attorney for the applicant, if any;
- e. The full name, mailing address, and telephone number of the operator certified by the Arizona Department of Environmental Quality who is or will be working for the applicant;
- f. The full name, mailing address, and telephone number of the on-site manager for the applicant;
- g. Whether the applicant is a corporation, a partnership, a limited liability company, a sole proprietor, or another specified type of legal entity;
- h. If the applicant is a corporation, the following:
 - i. Whether the applicant is a “C” corporation, an “S” corporation, or a non-profit corporation and whether the corporation is domestic or foreign;
 - ii. A list of the full names, titles, and mailing addresses of each of the applicant’s officers and directors;
 - iii. A copy of the applicant’s certificate of good standing issued by the Commission’s Corporations Division;
 - iv. Unless the applicant is applying for a CC&N extension, a certified copy of the applicant’s articles of incorporation and by-laws; and
 - v. If the applicant is a for-profit corporation, the number of shares of stock authorized for issue and, if any stock has been issued, the number of shares issued and date of issuance;
- i. If the applicant is a partnership, the following:
 - i. Whether the applicant is a limited partnership or a general partnership and whether the partnership is domestic or foreign;
 - ii. The full names and mailing addresses of the applicant’s general partners;
 - iii. The full names, mailing addresses, and telephone

numbers of the applicant's managing partners;

- iv. Unless the applicant is applying for a CC&N extension, a copy of the applicant's articles of partnership; and
- v. If the applicant is a foreign limited partnership, a copy of the applicant's certificate of registration filed with the Arizona Secretary of State;
- j. If the applicant is a limited liability company, the following:
 - i. The full names and mailing addresses of the applicant's managers or, if management is reserved to the members, the applicant's members;
 - ii. Unless the applicant is applying for a CC&N extension, a copy of the applicant's articles of organization;
- k. The legal name and mailing address of each other utility in which the applicant has an ownership interest;
- l. A description of the requested service area or extension area, expressed in terms of cadastral (quarter section) or metes and bound survey;
- m. The name of each county in which the requested service area or extension area is located and a description of the area's location in relation to the closest municipality, which shall be named;
- n. A complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to describe each water system and the principal components of each water system (e.g., source, storage, transmission lines, distribution lines, etc.) to allow verification of the estimated costs provided under subsection (B)(5)(o) and verification that the requirements of the Commission and the Arizona Department of Environmental Quality can be met;
- o. The estimated total construction cost of the proposed offsite and onsite facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as through debt, equity, advances in aid of construction, contributions in aid of construction, or a

combination thereof;

- p. Documentation establishing the applicant's financial condition, including at least the applicant's current assets and liabilities, an income statement, the applicant's estimated revenue and expenses for the first five years following approval of the application, and the estimated value of the applicant's utility plant in service for the first five years following approval of the application;
- q. The rates proposed to be charged for services rendered, shown in the form of a proposed tariff that complies with Commission standards;
- r. The estimated annual operating revenues and expenses for the first five years of operation for the requested service area or extension area, expressed separately for residential, commercial, industrial, and irrigation services, and including a description of each assumption made to derive the estimates;
- s. A detailed description of the proposed construction timeline for facilities, with estimated starting and completion dates and, if construction is to be phased, a description of each separate phase of construction;
- t. A copy of any requests for service from persons who own land within the proposed service area or extension area, which shall identify the applicant by name;
- u. Maps of the proposed service area- or extension area identifying:
 - i. The boundaries of the area, with the total acreage noted;
 - ii. The land ownership boundaries within the area, with the acreage of each separately owned parcel within the area noted;
 - iii. The owner of each parcel within the area;
 - iv. Any municipality corporate limits that overlap with or are within five miles of the area;

- v. The service area of any public service corporation, municipality, or district currently providing water or wastewater service within one mile of the area, with identification of the entity providing service and each type of service being provided;
 - vi. The location within the area of any known water service connections that are already being provided service by the applicant;
 - vii. The location of all proposed developments within the area;
 - viii. The proposed location of each water system and the principal components described in subsection (B)(5)(n); and
 - ix. The location of all parcels for which a copy of a request for service has been submitted per subsection (B)(5)(t);
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- v. A copy of each notice to be sent, as required under subsection (B)(4), to a municipal manager or administrator;
 - w. A copy of each notice sent, as required under subsection (B)(3), to a landowner not requesting service;
 - x. For each landowner not requesting service, either the written response received from the landowner or, if no written response was received, a description of the actions taken by the applicant to obtain a written response;
 - y. A copy of each city, county, or state agency approval required by law to construct the proposed facilities or operate the utility within the proposed service area or extension area or, for any approval not yet obtained, the status of the applicant's application for the approval;
 - z. The estimated number of customers to be served for each of the first five years of operation, expressed separately for residential, commercial, industrial, and irrigation customers and including documentation to support the estimates;
 - aa. A description of how wastewater service is to be provided in the proposed service area or extension area and the name of each wastewater service provider for the area, if any;

- bb. A letter from each wastewater service provider identified under subsection (B)(5)(aa), confirming the provision of wastewater service for the proposed service area or extension area;
- cc. Plans for or a description of water conservation measures to be implemented in the proposed service area or extension area, including, at a minimum:
 - i. A description of the information about water conservation or water saving measures that the utility will provide to the public and its customers;
 - ii. A description of how the applicant will work with each wastewater service provider identified under subsection (B)(5)(aa) to encourage water conservation;
 - iii. A description of the sources of water that will be used to supply parks, recreation areas, golf courses, greenbelts, ornamental lakes, and other aesthetic water features;
 - iv. A description of any plans for the use of reclaimed water;
 - v. A description of any plans for the use of recharge facilities;
 - vi. A description of any plans for the use of surface water; and
 - vii. A description of any other plans or programs to promote water conservation;
- dd. A backflow prevention tariff that complies with Commission standards, if not already on file;
- ee. A curtailment tariff that complies with Commission standards, if not already on file;
- ff. A copy of a Physical Availability Determination, Analysis of Adequate Water Supply, or Analysis of Assured Water Supply issued by the Arizona Department of Water Resources for the proposed service area or extension area or, if not yet obtained, the status of the application for such approval;

- gg. If the applicant is requesting a CC&N extension:
 - i. A current compliance status report from the Arizona Department of Environmental Quality, dated no more than 30 days before the date the CC&N extension application is filed, for each water system operated by the applicant, as identified by a separate Arizona Department of Environmental Quality Public Water System Identification Number; and
 - ii. A water use data sheet for the water system being extended by the applicant; and
- hh. The notarized signature of the applicant.

- 6. Upon receiving an application under subsection (B)(5), Utilities Division staff shall review and process the application in accordance with the requirements of R14-2-411.
- 7. Once Utilities Division staff determines that an application submitted under subsection (B)(5) is administratively complete, the Commission shall, as expeditiously as practicable, schedule a hearing to consider the application.

C. Application for discontinuance or abandonment of utility service

- 1. A utility shall not discontinue or abandon any service currently in use by the public without first obtaining authority therefore from the Commission.
- 2. A utility desiring to discontinue or abandon a service shall file with the Commission an application identifying the utility; including data regarding past, present and estimated future customer use of the service; describing any plant or facility that would no longer be in use if the application were approved; and explaining why the utility desires to discontinue or abandon the service.
- 3. A utility is not required to apply for Commission approval to remove individual facilities where a customer has requested service discontinuance.

D. Application for authority to abandon, sell, lease, transfer, or otherwise dispose of a utility

1. A utility shall not abandon, sell, lease, transfer, or otherwise dispose of its facilities or operation without first obtaining authority therefore from the Commission.
2. A utility desiring to abandon, sell, lease, transfer, or otherwise dispose of its facilities or operation shall file with the Commission an application that includes, at a minimum:
 - a. The legal name, physical address, mailing address (if different), and telephone number of the utility;
 - b. A description of the utility property proposed to be abandoned, sold, leased, transferred, or otherwise disposed of;
 - c. Documentation establishing the utility's financial condition, including at least the utility's current assets and liabilities, an income statement, the utility's revenue and expenses for the most recently completed 12-month accounting period, and the value of the utility's utility plant in service;
 - d. The legal name, physical address, mailing address (if different), and telephone number of any proposed purchaser, lessee, transferee, or assignee;
 - e. The terms and conditions of the proposed abandonment, sale, lease, transfer, or assignment and copies of any agreement that has been or will be executed concerning the transaction;
 - f. A description of the effect that the proposed transaction will have upon the utility's services;
 - g. The method by which the proposed transaction is to be financed;
 - h. A description of the effect that the proposed transaction will have upon any other utility;
 - i. The number of customers to be affected by the proposed transaction; and
 - j. A description of the effect that the proposed transaction will have upon customers.

E. Additions or extensions of service contiguous to existing CC&N service areas

1. Except in the case of an emergency, a utility that proposes to extend service to a parcel located in a non-certificated area contiguous to its CC&N service area, shall notify the Commission before the service extension occurs.
2. Each notification required under subsection (E)(1) shall be in writing, shall be verified, and shall set forth, at a minimum,:
 - a. The legal name, mailing address, and telephone number of the utility;
 - b. The number of persons to be served in the contiguous parcel;
 - c. The legal description of the contiguous parcel and the location of the structures to be served therein, in relation to the utility's CC&N service and
 - d. A statement that service will be extended only to a non-certificated parcel contiguous to the utility's CC&N service area.

3. When emergency service is required to be provided to a person in a non-certificated area contiguous to a utility's CC&N service area, the utility shall notify the Commission of the service extension as soon as possible after the service extension occurs by providing written notice that includes the information required under subsection (E)(2) and describes the nature and extent of the emergency.

R14-2-403. Establishment of service

A. Information from new applicants

1. A utility may obtain the following minimum information from each new applicant for service:
 - a. Name or names of applicant(s).
 - b. Service address or location and telephone number
 - c. Billing address/telephone number, if different than service address.
 - d. Address where service was provided previously.
 - e. Date applicant will be ready for service.
 - f. Indication of whether premises have been supplied with utility service previously.

g. Purpose for which service is to be used.

h. Indication of whether applicant is owner or tenant of or agent for the premises.

2. Each utility may require a new applicant for service to appear at the utility's designated place of business to produce proof of identity and sign the utility's application form.

3. Where service is requested by 2 or more individuals the utility shall have the right to collect the full amount owed to the utility from any 1 of the applicants.

B. Deposits

1. A utility may require a deposit from any new applicant for service.

2. The utility shall issue a nonnegotiable receipt to the applicant for the deposit. The inability of the customer to produce such a receipt shall in no way impair his right to receive a refund of the deposit which is reflected on the utility's records.

3. Interest on deposits shall be calculated annually at an interest rate filed by the utility and approved by the Commission in a tariff proceeding. In the absence of such, the interest rate shall be 6%.

4. Interest shall be credited to the customer's bill annually.

5. Residential deposits shall be refunded within 30 days after:

a. 12 consecutive months of service without being delinquent in the payment of utility bills provided the utility may reestablish the deposit if the customer becomes delinquent in the payment of bills 2 or more times within a 12-consecutive-month period.

b. Upon discontinuance of service when the customer has paid all outstanding amounts due the utility.

6. A separate deposit may be required for each meter installed.

7. The amount of a deposit required by the utility shall be determined according to the following terms:

a. Residential customer deposits shall not exceed 2 times the average residential class bill as evidenced by the utility's most recent annual report filed with the Commission.

b. Nonresidential customer deposits shall not exceed 2 1/2 times that customer's estimated maximum monthly bill.

c. The utility may review the customer's usage after service has been connected and adjust the deposit amount based upon the customer's actual usage.

8. Upon discontinuance of service, the deposit may be applied by the utility toward settlement of the customer's bill.

C. Grounds for refusal of service.

A utility may refuse to establish service if any of the following conditions exist:

1. The applicant has an outstanding amount due for the same class of utility service with the utility and the applicant is unwilling to make arrangements with the utility for payment.

2. A condition exists which in the utility's judgment is unsafe or hazardous to the applicant, the general population, or the utility's personnel or facilities.
3. Refusal by the applicant to provide the utility with a deposit.
4. Customer is known to be in violation of the utility's tariffs filed with the Commission or of the Commission's rules and regulations.
5. Failure of the customer to furnish such funds, service, equipment, and/or rights-of-way necessary to serve the customer and which have been specified by the utility as a condition for providing service.
6. Applicant falsifies his or her identity for the purpose of obtaining service.

D. Service establishments, re-establishments or reconnection charge

1. A utility may make a charge as approved by the Commission for the establishment, reestablishment, or reconnection of utility services.
2. Should service be established during a period other than regular working hours at the customer's request, the customer may be required to pay an after-hour charge for the service connection. Where the utility scheduling will not permit service establishment on the same day requested, the customer can elect to pay the after-hour charge for establishment that day.
3. For the purpose of this rule, service establishments are where the customer's facilities are ready and acceptable to the utility and the utility needs only to install a meter, read a meter, or turn the service on.

E. Temporary service

1. Applicants for temporary service may be required to pay the utility, in advance of service establishment, the estimated cost of installing and removing the facilities necessary for furnishing the desired service.
2. Where the duration of service is to be less than 1 month, the applicant may also be required to advance a sum of money equal to the estimated bill for service.
3. Where the duration of service is to exceed 1 month, the applicant may also be required to meet the deposit requirements of the utility.
4. If at any time during the term of the agreement for service the character of a temporary customer's operations changes so that in the opinion of the utility the customer is classified as permanent, the terms of the utility's main extension rules shall apply.

Historical Note Adopted effective March 2, 1982 (Supp. 82-2). Amended subsections (B) and (D) effective September 28, 1982 (Supp. 82-5). Amended to correct subsection numbering (Supp. 99-4).

R14-2-404. Minimum customer information requirements

A. Information for residential customers

1. Each utility shall make available upon customer request not later than 60 days from the date of request a concise summary of the rate schedule applied for by such customer. The summary shall include the following:
 - a. Monthly minimum or customer charge, identifying the amount of the charge and the

specific amount of usage included in the minimum charge, where applicable.

b. Rate blocks, where applicable.

c. Any adjustment factor(s) and method of calculation.

2. The utility shall to the extent practical identify the tariff most advantageous to the customer and notify the customer of such prior to service commencement.

3. In addition, a utility shall make available upon customer request not later than 60 days from the date of request a copy of the Commission's rules and regulations governing:

a. Deposits

b. Terminations of service

c. Billing and collection

d. Complaint handling.

4. Each utility upon written request of a customer shall transmit a concise statement of actual consumption by such customer for each billing period during the prior 12 months unless such data is not reasonably ascertainable.

5. Each utility shall inform all new customers of their rights to obtain the information specified above.

B. Information required due to changes in tariffs

1. Each utility shall transmit to affected customers by the most economic means available a concise summary of any change in the utility's tariffs affecting those customers.

2. This information shall be transmitted to the affected customer within 60 days of the effective date of the change.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2).

R14-2-405. Service connections and establishments

A. Priority and timing of service establishments

1. After an applicant has complied with the utility's application and deposit requirements and has been accepted for service by the utility, the utility shall schedule that customer for service connection and/or establishment.

2. Service establishments shall be scheduled for completion within 5 working days of the date the customer has been accepted for service, except in those instances when the customer requests service establishment beyond the 5 working day limitation.

3. When the utility has made arrangements to meet with a customer for service establishment purposes and the utility or the customer cannot make the appointment during the prearranged time, the utility shall reschedule the service establishment to the satisfaction of both parties.

4. Each utility shall schedule service establishment appointments within a maximum range of 4 hours during normal working hours, unless another time-frame is mutually acceptable to the utility and the customer.

5. Service establishments shall be made only by qualified utility service personnel.
6. For the purposes of this rule, service establishments are where the customer's facilities are ready and acceptable to the utility and the utility needs only to install or read a meter or turn the service on.

B. Service lines

1. An applicant for service shall be responsible for the cost of installing all customer piping up to the meter.
2. An applicant for service shall pay to the utility as a refundable advance in aid of construction the sum as set forth in the utility's tariff for each size service and meter. Except where the refundable advances in aid of construction for meters and service lines have been included in refundable advances in aid of construction for line extensions and thus are refundable pursuant to main extension contracts approved by the Commission, each advance in aid of construction for a service line or meter shall be repaid by the utility by an annual credit of 1/10 of the amount received, said credit to be applied upon the water bill rendered in November of each year until fully paid, for each service and meter for which the advance was made, and said credit to commence the month of November for all such advances received during the preceding calendar year.
3. Where service is being provided for the 1st time, the customer shall provide and maintain a private cutoff valve within 18 inches of the meter on the customer's side of the meter, and the utility shall provide a like valve on the utility's side of such meter.
4. The Company may install its meter at the property line or, at the Company's option, on the customer's property in a location mutually agreed upon.
5. Where the meter or service line location on the customer's premises is changed at the request of the customer or due to alterations on the customer's premises, the customer shall provide and have installed at his expense all piping necessary for relocating the meter and the utility may make a charge for moving the meter and/or service line.
6. The customer's lines or piping must be installed in such a manner as to prevent cross-connection or backflow.
7. Each utility shall file a tariff for service and meter installations for Commission review and approval.

C. Easements and rights-of-way

1. Each customer shall grant adequate easement and right-of-way satisfactory to the utility to ensure that customer's proper service connection. Failure on the part of the customer to grant adequate easement and right-of-way shall be grounds for the utility to refuse service.
2. When a utility discovers that a customer or his agent is performing work or has constructed facilities adjacent to or within an easement or right-of-way and such work, construction or facility poses a hazard or is in violation of federal, state or local laws, ordinances, statutes, rules or regulations, or significantly interferes with the utility's access to equipment, the utility shall notify the customer or his agent and shall take whatever actions are necessary to eliminate the hazard, obstruction or violation at the customer's expense.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2). Amended subsection (B) effective September 28, 1982 (Supp. 82-5).

R14-2-406. Main extension agreements

A. Each utility entering into a main extension agreement shall comply with the provisions of this rule which specifically defines the conditions governing main extensions.

B. An applicant for the extension of mains may be required to pay to the Company, as a refundable advance in aid of construction, before construction is commenced, the estimated reasonable cost of all mains, including all valves and fittings.

1. In the event that additional facilities are required to provide pressure, storage or water supply, exclusively for the new service or services requested, and the cost of the additional facilities is disproportionate to anticipated revenues to be derived from future consumers using these facilities, the estimated reasonable cost of such additional facilities may be included in refundable advances in aid of construction to be paid to the Company.

2. Upon request by a potential applicant for a main extension, the utility shall prepare, without charge, a preliminary sketch and rough estimate of the cost of installation to be paid by said applicant. Any applicant for a main extension requesting the utility to prepare detailed plans, specifications, or cost estimates may be required to deposit with the utility an amount equal to the estimated cost of preparation. The utility shall, upon request, make available within 45 days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant accepts utility construction of the extension, the deposit shall be credited to the cost of construction; otherwise the deposit shall be nonrefundable. If the extension is to include oversizing of facilities to be done at the utility's expense, appropriate details shall be set forth in the plans, specifications and cost estimates.

3. Where the utility requires an applicant to advance funds for a main extension, the utility shall furnish the applicant with a copy of the Commission rules on main extension agreements prior to the applicant's acceptance of the utility's extension agreement.

4. In the event the utility's actual cost of construction is less than the amount advanced by the customer, the utility shall make a refund to the applicant within 30 days after the completion of the construction or utility's receipt of invoices related to that construction.

5. The provisions of this rule apply only to those applicants who in the utility's judgment will be permanent customers of the utility. Applications for temporary service shall be governed by the Commission's rules concerning temporary service applications.

C. Minimum written agreement requirements

1. Each main extension agreement shall include the following information:

- a. Name and address of applicant(s)
- b. Proposed service address
- c. Description of requested service
- d. Description and map of the requested line 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. Utility's estimated start date and completion date for construction of the main extension

2. Each applicant shall be provided with a copy of the written main extension agreement.

D. Refunds of advances made pursuant to this rule shall be made in accord with the following method:

the Company shall each year pay to the party making an advance under a main extension agreement, or that party's assignees or other successors in interest where the Company has received notice and evidence of such assignment or succession, a minimum amount equal to 10% of the total gross annual revenue from water sales to each bona fide consumer whose service line is connected to main lines covered by the main extension agreement, for a period of not less than 10 years. Refunds shall be made by the Company on or before the 31st day of August of each year, covering any refunds owing from water revenues received during the preceding July 1st to June 30th period. A balance remaining at the end of the ten-year period set out shall become non-refundable, in which case the balance not refunded shall be entered as a contribution in aid of construction in the accounts of the Company, however, agreements under this general order may provide that any balance of the amount advanced thereunder remaining at the end of the 10 year period set out, shall thereafter remain payable in whole or in part and in such manner as is set forth in the agreement. The aggregate refunds under this rule shall in no event exceed the total of the refundable advances in aid of construction. No interest shall be paid by the utility on any amounts advanced. 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 particular main extension covered by the agreement.

E. Amounts advanced in aid of construction of main extensions shall be refunded in accord with the rules of this Commission in force and effect on the date the agreement therefor was executed.

All costs under main extension agreements entered into after the adoption of this rule shall be refunded as provided herein.

F. The Commission will not approve the transfer of any Certificate of Public Convenience and Necessity where the transferor has entered into a main extension agreement,

unless it is demonstrated to the Commission that the transferor has agreed to satisfy the refund agreement, or that the transferee has assumed and has agreed to pay the transferor's obligations under such agreement.

G. All agreements entered into under this rule shall be evidenced by a written statement,

and signed by the Company and the parties advancing the funds for advances in aid under this rule or the duly authorized agents of each.

H. The size, design, type and quality of materials of the system,

installed under this rule location in the ground and the manner of installation, shall be specified by the Company, and shall be in accord with the requirements of the Commission or other public agencies having authority therein. The Company may install main extensions of any diameter meeting the requirements of the Commission or any other public agencies having authority over the construction and operation of the water system and mains, except individual main extensions, shall comply with and conform to the following minimum specifications:

1. 150 p.s.i. working pressure rating and
2. 6" standard diameter.

However, single residential customer advances in aid of construction shall not exceed the reasonable cost of construction of the 6-inch diameter main extension.

I. All pipelines, valves, fittings, wells, tanks or other facilities installed under this rule shall be the sole property of the Company,

and parties making advances in aid of construction under this rule shall have no right, title or interest in any such facilities.

J. The Company shall schedule all new requests for main extension agreements,

and for service under main extension agreements, promptly and in the order received.

K. An applicant for service seeking to enter into a main extension agreement may request that the utility include on a list of contractors from whom bids will be solicited,

the name(s) of any bonded contractor(s), provided that all bids shall be submitted by the bid date stipulated by the utility. If a lower bid is thus obtained or if a bid is obtained at an equal price and with a more appropriate time of performance, and if such bid contemplates conformity with the Company's requirements and specifications, the Company shall be required to meet the terms and conditions of the bid proffered, or to enter into a construction contract with the contractor proffering such bid. Performance bond in the total amount of the contract may be required by the utility from the contractor prior to construction.

L. Any discounts obtained by the utility from contracts terminated under this rule shall be accounted for by credits to the appropriate account dominated as Contributions in Aid of Construction.

M. All agreements under this rule shall be filed with and approved by the Utilities Division of the Commission.

No agreement shall be approved unless accompanied by a Certificate of Approval to Construct as issued by the Arizona Department of Health Services. Where agreements for main extensions are not filed and approved by the Utilities Division, the refundable advance shall be immediately due and payable to the person making the advance.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2). Amended subsections (D) and (K) effective September 28, 1982 (Supp. 82-5). Amended to correct subsection numbering (Supp. 99-4).

R14-2-407. Provision of service

A. Utility responsibility.

Each utility shall be responsible for providing potable water to the customer's point of delivery.

B. Customer responsibility

1. Each customer shall be responsible for maintaining all facilities on the customer's side of the point of delivery in a safe and efficient manner and in accordance with the rules of the state Department of Health.
2. Each customer shall be responsible for safeguarding all utility property installed in or on

the customer's premises for the purpose of supplying water to that customer.

3. Each customer shall exercise all reasonable care to prevent loss or damage to utility property, excluding ordinary wear and tear. The customer shall be responsible for loss of or damage to utility property on the customer's premises arising from neglect, carelessness, or misuse and shall reimburse the utility for the cost of necessary repairs or replacements.
4. Each customer shall be responsible for payment for any equipment damage resulting from unauthorized breaking of seals, interfering, tampering or bypassing the utility meter.
5. Each customer shall be responsible for notifying the utility of any failure identified in the utility's equipment.
6. Water furnished by the utility shall be used only on the customer's premises and shall not be resold to any other person. During critical water conditions, as determined by the Commission, the customer shall use water only for those purposes specified by the Commission. Disregard for this rule shall be sufficient cause for refusal or discontinuance of service.

C. Continuity of service.

Each utility shall make reasonable efforts to supply a satisfactory and continuous level of service. However, no utility shall be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from:

1. Any cause against which the utility could not have reasonably foreseen or made provision for, i.e., force majeure
2. Intentional service interruptions to make repairs or perform routine maintenance
3. Curtailment.

D. Service interruptions

1. Each utility shall make reasonable efforts to reestablish service within the shortest possible time when service interruptions occur.
2. Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of emergency in order to prevent or mitigate interruption or impairment of service.
3. In the event of a national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.
4. When a utility plans to interrupt service for more than 4 hours to perform necessary repairs or maintenance, the utility shall attempt to inform affected customers at least 24 hours in advance of the scheduled date and estimated duration of the service interruption. Such repairs shall be completed in the shortest possible time to minimize the inconvenience to the customers of the utility.
5. The Commission shall be notified of interruptions in service affecting the entire system or any major division thereof. The interruption of service and cause shall be reported within 4 hours after the responsible representative of the utility becomes aware of said interruption by

telephone to the Commission and followed by a written report to the Commission.

E. Minimum delivery pressure.

Each utility shall maintain a minimum standard delivery pressure of 20 pounds per square inch gauge (PSIG) at the customer's meter or point of delivery.

F. Construction standards.

Each utility shall construct all facilities in accordance with the guidelines established by the state Department of Health Services.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2). Amended subsection (F) effective September 28, 1982 (Supp. 82-5). Amended to correct subsection numbering (Supp. 99-4).

R14-2-408 Meter reading

A. Frequency.

Each meter shall be read monthly on as close to the same day as practical.

B. Measuring of service

1. All water delivered by the utility shall be billed upon the basis of metered volume sales except that the utility may, at its option, provide a fixed charge schedule for the following:

- a. Temporary service where the water use can be readily estimated
 - b. Public and private fire protection service
 - c. Water used for street sprinkling and sewer flushing, when provided for by contract between the utility and the municipality or other local governmental authority
 - d. Other fixed charge schedules as shall be submitted to and approved by the Commission.
2. When there is more than 1 meter at a location, the metering equipment shall be so tagged or plainly marked as to indicate the facilities being metered.

C. Customer requested rereads

1. Each utility shall at the request of a customer reread the customer's meter within 10 working days after such request by the customer.
2. Any rereads shall be charged to the customer at a rate on file and approved by the Commission, provided that the original reading was not in error.
3. When a reading is found to be in error, the reread shall be at no charge to the customer.

D. Access to customer premises.

Each utility shall have the right of safe ingress to and egress from the customer's premises at all reasonable hours for any purpose reasonably connected with the utility's property used in furnishing service and the exercise of any and all rights secured to it by law or these rules.

E. Meter testing and maintenance program.

Each utility shall establish a regular program of meter testing taking into account the following

factors:

1. Size of meter
2. Age of meter
3. Consumption
4. Characteristics of water.

F. Customer requested meter tests.

A utility shall test a meter upon customer request and each utility shall be authorized to charge the customer for such meter test according to the tariff on file and approved by the Commission. However, if the meter is found to be in error by more than 3%, no meter testing fee will be charged to the customer.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2). Amended to correct subsection numbering (Supp. 99-4).

R14-2-409. Billing and collection

A. Frequency and estimated bills

1. Each utility shall bill monthly for services rendered. Meter readings shall be scheduled for periods of not less than 25 days or more than 35 days.
2. If the utility is unable to read the meter on the scheduled meter read date, the utility will estimate the consumption for the billing period giving consideration to the following factors where applicable:
 - a. The customer's usage during the same month of the previous year
 - b. The amount of usage during the preceding month.
3. After the 2nd consecutive month of estimating the customer's bill for reasons other than severe weather, the utility will attempt to secure an accurate reading of the meter.
4. Failure on the part of the customer to comply with a reasonable request by the utility for access to its meter may lead to the discontinuance of service.
5. Estimated bills will be issued only under the following conditions:
 - a. Failure of a customer who read his own meter to deliver his meter reading card to the utility in accordance with the requirements of the utility billing cycle.
 - b. Severe weather conditions which prevent the utility from reading the meter.
 - c. Circumstances that make it dangerous or impossible to read the meter, i.e., locked gates, blocked meters, vicious or dangerous animals, etc.
6. Each bill based on estimated usage will indicate that it is an estimated bill.

B. Combining meters, minimum bill information

1. Each meter at a customer's premises will be considered separately for billing purposes, and the readings of 2 or more meters will not be combined.

2. Each bill for residential service will contain the following minimum information:

- a. Date and meter reading at the start of billing period
- b. Previous month's meter reading
- c. Billed usage
- d. Utility telephone number
- e. Customer's name
- f. Service account number (if available)
- g. Amount due and due date
- h. Past due amount (where appropriate)
- i. Adjustment factor, where applicable
- j. Other approved tariff charges.

C. Billing terms

1. All bills for utility services are due and payable when rendered. Any payment not received within 15 days from the date the bill was rendered shall be considered delinquent.

2. For purposes of this rule, the date a bill is rendered may be evidenced by:

a. The postmark date

b. The mailing date:

i. Certified mail

ii. Certificate of mailing.

3. All delinquent bills shall be subject to the provisions of the utility's termination procedures as set forth in R14-2-410.

4. All payments shall be made at or mailed to the office of the utility or to the utility's duly authorized representative.

D. Applicable tariffs, prepayment, failure to receive, commencement date, taxes

1. Each customer shall be billed under the applicable tariff indicated in the customer's application for service.

2. Each utility shall make provisions for advance payment for utility services.

3. Failure to receive bills or notices which have been properly placed in the United States mail shall not prevent such bills from becoming delinquent nor relieve the customer of his obligations therein.

4. Charges for service commence when the service is installed and connection made, whether used or not.

5. In addition to the collection of regular rates, each utility may collect from its customers a proportionate share of any privilege, sales or use tax.

E. Meter error corrections

1. If any meter after testing is found to be more than 3% in error, either fast or slow, proper correction between 3% and the amount of the error shall be made of previous readings and adjusted bills shall be rendered according to the following terms:

a. For the period of 3 months immediately preceding the removal of such meter from service for test or from the time the meter was in service since last tested, but not exceeding 3 months since the meter shall have been shown to be in error by such test, or

b. From the date the error occurred, if the date of the cause can be definitely fixed.

2. No adjustment shall be made by the utility except to the customer last served by the meter tested.

F. Insufficient funds (NSF) checks

1. A utility shall be allowed to recover a fee, as approved by the Commission for each instance where a customer tenders payment for utility service with an insufficient funds check.

2. When the utility is notified by the customer's bank that there are insufficient funds to cover the check tendered for utility service, the utility may require the customer to make payment in cash, by money order, certified check, or other means which guarantee the customer's payment to the utility.

3. A customer who tenders an insufficient check shall in no way be relieved of the obligation to render payment to the utility under the original terms of the bill nor defer the utility's provision for termination of service for nonpayment of bills.

G. Deferred payment plan

1. Each utility may, prior to termination, offer to qualifying residential customers a deferred payment plan for the customer to retire unpaid bills for utility service.

2. Each deferred payment agreement entered into by the utility and the customer due to the customer's inability to pay an outstanding bill in full shall provide that service will not be discontinued if:

a. Customer agrees to pay a reasonable amount of the outstanding bill at the time the parties enter into the deferred payment agreement.

b. Customer agrees to pay all future bills for utility service in accordance with the billing and collection tariffs of the utility.

c. Customer agrees to pay a reasonable portion of the remaining outstanding balance in installments over a period not to exceed 6 months.

3. For the purposes of determining a reasonable installment payment schedule under these rules, the utility and the customer shall give consideration to the following conditions:

a. Size of the delinquent account

- b. Customer's ability to pay
- c. Customer's payment history
- d. Length of time that the debt has been outstanding
- e. Circumstances which resulted in the debt being outstanding
- f. Any other relevant factors related to the circumstances of the customer.

4. Any customer who desires to enter into a deferred payment agreement shall establish such agreement prior to the utility's scheduled termination date for nonpayment of bills; customer failure to execute a deferred payment agreement prior to the scheduled termination date shall not prevent the utility from discontinuing service for nonpayment.

5. Deferred payment agreements may be in writing and may be signed by the customer and an authorized utility representative.

6. A deferred payment agreement may include a finance charge as approved by the Commission in a tariff proceeding.

7. If a customer has not fulfilled the terms of a deferred payment agreement, the utility shall have the right to disconnect service pursuant to the utility's termination of service rules and, under such circumstances, it shall not be required to offer subsequent negotiation of a deferred payment agreement prior to disconnection.

H. Change of occupancy

1. Not less than 3 working days advance notice must be given in person, in writing, or by telephone at the utility's office to discontinue service or to change occupancy.

2. The outgoing party shall be responsible for all utility services provided and/or consumed up to the scheduled turn-off date.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2). Amended subsection (C) effective September 28, 1982 (Supp. 82-5).

R14-2-410. Termination of service

A. Nonpermissible reasons to disconnect service.

A utility may not disconnect service for any of the reasons stated below:

1. Delinquency in payment for services rendered to a prior customer at the premises where service is being provided, except in the instance where the prior customer continues to reside on the premises.

2. Failure of the customer to pay for services or equipment which are not regulated by the Commission.

3. Nonpayment of a bill related to another class of service.

4. Failure to pay for a bill to correct a previous underbilling due to an inaccurate meter or meter failure if the customer agrees to pay over a reasonable period of time.

B. Termination of service without notice

1. Utility service may be disconnected without advance written notice under the following conditions:

- a. The existence of an obvious hazard to the safety or health of the consumer or the general population.
 - b. The utility has evidence of meter tampering or fraud.
 - c. Unauthorized resale or use of utility services.
 - d. Failure of a customer to comply with the curtailment procedures imposed by a utility during supply shortages.
2. The utility shall not be required to restore service until the conditions which resulted in the termination have been corrected to the satisfaction of the utility.
3. Each utility shall maintain a record of all terminations of service without notice. This record shall be maintained for a minimum of 1 year and shall be available for inspection by the Commission.

C. Termination of service with notice

1. A utility may disconnect service to any customer for any reason stated below provided the utility has met the notice requirements established by the Commission:

- a. Customer violation of any of the utility's tariffs filed with the Commission and/or violation of the Commission's rules and regulations.
- b. Failure of the customer to pay a delinquent bill for utility service.
- c. Failure to meet or maintain the utility's credit and deposit requirements.
- d. Failure of the customer to provide the utility reasonable access to its equipment and property.
- e. Customer breach of a written contract for service between the utility and customer.
- f. When necessary for the utility to comply with an order of any governmental agency having such jurisdiction.

2. Each utility shall maintain a record of all terminations of service with notice. This record shall be maintained for 1 year and be available for Commission inspection.

D. Termination notice requirements

1. No utility shall terminate service to any of its customers without providing advance written notice to the customer of the utility's intent to disconnect service, except under those conditions specified where advance written notice is not required.

2. Such advance written notice shall contain, at a minimum, the following information:

- a. The name of the person whose service is to be terminated and the address where service is being rendered.
- b. The Commission rule or regulation that was violated and explanation thereof or the amount of the bill which the customer has failed to pay in accordance with the payment policy of the utility, if applicable.

c. The date on or after which service may be terminated.

d. A statement advising the customer to contact the utility at a specific address or phone number for information regarding any deferred payment or other procedures which the utility may offer or to work out some other mutually agreeable solution to avoid termination of the customer's service.

e. A statement advising the customer that the utility's stated reason for the termination of services may be disputed by contacting the utility at a specific address or phone number, advising the utility of the dispute and making arrangements to discuss the cause for termination with a responsible employee of the utility in advance of the scheduled date of termination. The responsible employee shall be empowered to resolve the dispute and the utility shall retain the option to terminate service.

E. Timing of terminations with notice

1. Each utility shall be required to give at least 10 days advance written notice prior to the termination date.

2. Such notice shall be considered to be given to the customer when a copy thereof is left with the customer or posted first class in the United States mail, addressed to the customer's last known address.

3. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the utility for the payment thereof or in the case of a violation of the utility's rules the customer has not satisfied the utility that such violation has ceased, the utility may then terminate service on or after the day specified in the notice without giving further notice.

4. Service may only be disconnected in conjunction with a personal visit to the premises by an authorized representative of the utility.

5. The utility shall have the right (but not the obligation) to remove any or all of its property installed on the customer's premises upon the termination of service.

F. Landlord/tenant rule.

In situations where service is rendered at an address different from the mailing address of the bill or where the utility knows that a landlord/tenant relationship exists and that the landlord is the customer of the utility, and where the landlord as a customer would otherwise be subject to disconnection of service, the utility may not disconnect service until the following actions have been taken:

1. Where it is feasible to so provide service, the utility, after providing notice as required in these rules, shall offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant then declines to so subscribe, the utility may disconnect service pursuant to the rules.

2. A utility shall not attempt to recover from a tenant or condition service to a tenant with the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2). Amended subsection (E) effective September 28, 1982 (Supp. 82-5). Amended to correct subsection numbering (Supp. 99-4).

Editor's Note: The following Section was amended under an exemption from the Attorney General approval provisions of the Arizona Administrative Procedure Act (State ex. rel. Corbin v. Arizona Corporation Commission, 174 Ariz. 216 848 P.2d 301

(App. 1992)), as determined by the Corporation Commission. This exemption means that the rules as amended were not approved by the Attorney General.

R14-2-411. Administrative and Hearing Requirements

A. Customer service complaints

1. Each utility shall make a full and prompt investigation of all service complaints made by its customers, either directly or through the Commission.
2. The utility shall respond to the complainant and/or the Commission representative within 5 working days as to the status of the utility investigation of the complaint.
3. The utility shall notify the complainant and/or the Commission representative of the final disposition of each complaint. Upon request of the complainant or the Commission representative, the utility shall report the findings of its investigation in writing.
4. The utility shall inform the customer of his right of appeal to the Commission.
5. Each utility shall keep a record of all written service complaints received which shall contain, at a minimum, the following data:
 - a. Name and address of the complainant
 - b. Date and nature of the complaint
 - c. Disposition of the complaint
 - d. A copy of any correspondence between the utility, the customer, and/or the Commission.

This record shall be maintained for a minimum period of 1 year and shall be available for inspection by the Commission.

B. Notice by utility of responsible officer or agent

1. Each utility shall file with the Commission a written statement containing the name, address (business, residence and post office) and telephone numbers (business and residence) of the onsite manager of its operations.
2. Each utility shall give notice, by filing a written statement with the Commission, of any change in the information required herein within 5 days from the date of any such change.

C. Time-frames for processing applications for Certificates of Convenience and Necessity

1. This rule prescribes time-frames for the processing of any application for a Certificate of Convenience and Necessity issued by the Arizona Corporation Commission pursuant to this Article. These time-frames shall apply to applications filed on or after the effective date of this rule.
2. Within 30 calendar days after receipt of an application for a new Certificate of Convenience and Necessity, or to amend or change the status of any existing Certificate of Convenience and Necessity, staff shall notify the applicant, in writing, that the application is either administratively complete or deficient. If the application is deficient, the notice shall specify all deficiencies.
3. Staff may terminate an application if the applicant does not remedy all deficiencies within

60 calendar days of the notice of deficiency.

4. After receipt of a corrected application, staff shall notify the applicant within 30 calendar days if the corrected application is either administratively complete or deficient. The time-frame for administrative completeness review shall be suspended from the time the notice of deficiency is issued until staff determines that the application is complete.

5. Within 150 days after an application is deemed administratively complete, the Commission shall approve or reject the application.

6. For purposes of A.R.S. § 41-1072 et seq., the Commission has established the following time-frames:

a. Administrative completeness review time-frame: 30 calendar days,

b. Substantive review time-frame: 150 calendar days,

c. Overall time-time: 180 calendar days.

7. If an applicant requests, and is granted, an extension or continuance, the appropriate time-frames shall be tolled from the date of the request during the duration of the extension or continuance.

8. During the substantive review time-frame, the Commission may, upon its own motion or that of any interested party to the proceeding, request a suspension of the time- frame rules.

D. Accounts and records

1. Each utility shall keep general and auxiliary accounting records reflecting the cost of its properties, operating income and expense, assets and liabilities, and all other accounting and statistical data necessary to give complete and authentic information as to its properties and operations.

2. Each utility shall maintain its books and records in conformity with the NARUC Uniform Systems of Accounts for Class A, B, C and D Water Utilities.

3. A utility shall produce or deliver in this state any or all of its formal accounting records and related documents requested by the Commission. It may, at its option, provide verified copies of original records and documents.

4. All utilities shall submit an annual report to the Commission on a form prescribed by it. The annual report shall be filed on or before the 15th day of April for the preceding calendar year.

5. All utilities shall file with the Commission a copy of all reports required by the Securities and Exchange Commission.

6. All utilities shall file with the Commission a copy of all annual reports required by the Federal Energy Regulatory Commission.

E. Maps.

All utilities shall file with the Commission a map or maps clearly setting forth the location and extent of the area or areas they hold under approved certificates of convenience and necessity, in accordance with the Cadastral (Rectangular) Survey of the United States Bureau of Land Management, or by metes and bounds with a starting point determined by the aforesaid Cadastral Survey.

F. Variations, exemptions of Commission rules and regulations.

Variations or exemptions from the terms and requirements of any of the rules included herein (Title 14, Chapter 2, Article 4) shall be considered upon the verified application of an affected party to the Commission setting forth the circumstances whereby the public interest requires such variation or exemption from the Commission rules and regulations. Such application will be subject to the review of the Commission, and any variation or exemption granted shall require an order of the Commission. In case of conflict between these rules and regulations and an approved tariff or order of the Commission, the provisions of the tariff or order shall apply.

G. Prior agreements.

The adoption of these rules by the Commission shall not affect any agreements entered into between the utility and customers or other parties who, pursuant to such contracts, arranged for the extension of facilities in a provision of service prior to the effective date of these rules.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2). Amended subsection (D) effective September 28, 1982 (Supp. 82-5). Amended effective December 31, 1998, under an exemption as determined by the Arizona Corporation Commission (Supp. 98-4). Amended to correct subsection numbering (Supp. 99-4).