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MEMORANDUM Arizona Corporation Commission

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TO: THE COMMISSION

JUL 11 2001

FROM: Utilities Division

AZ CORP COMMISSION
DOCUMENT CONTROL

DATE: July 10, 2001

DOCKETED BY	<i>ncw</i>
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RE: IN THE MATTER OF THE APPLICATION OF ANWAY MANVILLE WATER COMPANY, L.L.C. FILING FOR APPROVAL OF A CURTAILMENT PLAN TARIFF FOR ITS SYSTEM (DOCKET NO. W-03233A-01-0431)

On June 4, 2001, Anway Manville Water Company, L.L.C. ("Anway" or "Company") filed an application with the Commission requesting approval of a curtailment plan. Anway is a public service corporation which provides water utility service to the public in a portion of Pima County, Arizona. Anway has two wells and serves 91 customers west of Tucson.

Anway is requesting approval of a Curtailment Tariff. The purpose of this tariff is to establish guidelines to restrict the water use of customers at times when Anway is experiencing a water shortage emergency.

The curtailment tariff being proposed by Anway would work in stages as follows:

Stage 1 Exists When:

- a. The Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

Restrictions: Under Stage 1, the Company is deemed to be operating normally and no curtailment restrictions are necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

Stage 2 Exists When:

- a. The Company's total storage and well production has been less than 80 percent of capacity for at least 48 hours consecutive hours, and
- b. The Company has identified issues such as steadily declining water table, an increased draw-down threatening pump operations, poor water production creating a reasonable belief the Company will be unable to meet anticipated water demands in the system.

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Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each address, or by United States first class mail to the billing address or, at the Company's option, both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.

Stage 3 Exists When:

- a. The Company's total storage and well production has been less than 50 percent for at least 24 consecutive hours. The Company has identified issues such as a steadily declining water table, and increased draw down threatening pump operations creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustain basis. The Company must rely on an emergency connection with the City of Tucson to augment the minimum needs of the customers.

Restrictions: Under Stage 3, the Company shall request the customers to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed wherever possible.

Notice Requirements:

- a. The Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.
- b. Beginning with Stage 3, the Company shall post at least two signs showing curtailment stage. Signs shall be posted at the well site and at the entrance to the major subdivision served by the Company.
- c. The Company shall notify the Consumer Services Unit of the Utilities Division of the Commission at least 12 hours prior to entering Stage 3.

Stage 4 Exists When:

- a. The Company's total storage has been less than 25 percent for at least 12 consecutive hours. The Company has identified issues such as a steadily declining water table, and increased draw down threatening pump operations creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis. The Company must rely on an emergency connection with the City of Tucson to augment the minimum needs of the customers.

Restrictions: Under Stage 4, the Company shall inform the customers of a mandatory restriction to employ water conservation measures to reduce daily consumption. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed wherever possible. Failure to comply will result in temporary disconnection.

Notice Requirements:

- a. The Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.
- b. The Company shall have posted at least two signs showing curtailment stage. Signs shall be posted at the well site and at the main entrance to the major subdivision served by the Company.
- c. The Company shall notify the Consumer Services Unit of the Utilities Division of the Commission at least 12 hours prior to entering Stage 4.
- d. Customers who fail to comply with cessation of outdoor use provisions will be given a written notice to end all outside use. Failure to comply within two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outside water. To restore service, the customer shall be required to pay all authorized reconnection fees.

Staff agrees with Anway that it needs a curtailment mechanism in place and finds it to be in the public interest. Therefore, Staff recommends approval of the curtailment plan filed by Anway with the following modifications:

1. The word "and" should be inserted before the word "poor" in paragraph "b" under Stage 2.

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2. Under Stage 3 there should be a paragraph "a" and "b". Paragraph "a" should be the first sentence as currently written under Stage 3. Paragraph "b" should be the same as paragraph "b" under Stage 2. The reference to the City of Tucson should be eliminated.
3. For the Notice Requirements under Stage 3, the word "Unit" should be replaced with the word "Section" in paragraph "c". A sentence should be added to paragraph "c" that states, "In addition, the Company shall inform the Consumer Services Section of the Company's plans to correct the water shortage problem and how long the Company expects to remain in Stage 3."
4. Under Stage 4 there should be a paragraph "a" and "b". Paragraph "a" should be the first sentence as currently written under Stage 4. Paragraph "b" should be the same as paragraph "b" under Stage 2. The reference to the City of Tucson should be eliminated.
5. For the Notice Requirements under Stage 4, the word "Unit" should be replaced with the word "Section" in paragraph "c". Two sentences should be added to paragraph "c" that state, "In addition, the Company shall inform the Consumer Services Section of the Company's plans to correct the water shortage problem and how long the Company expects to remain in Stage 4. The Company shall immediately notify the Consumer Services Section when the Stage 4 restrictions are lifted."

Staff also recommends that this curtailment procedure become part of Anway's Arizona Department of Environmental Quality Emergency Operations Plan.

Staff further recommends that during the period when these water usage restrictions are effective, Anway's tariffed reconnection rate shall apply to any service terminated for failure to comply with the curtailment conditions during Stage 4.

Staff further recommends that Anway file with the Utilities Compliance Section a copy of the curtailment tariff as approved by the Commission within thirty (30) days of the effective date of the Commission's decision in this matter.

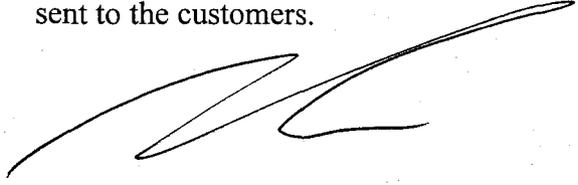
Staff further recommends that the curtailment tariff not become effective until the final tariff is filed with the Compliance Section and verified for accuracy by Staff.

THE COMMISSION

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Staff further recommends that the Company notify its customers of this new tariff within thirty (30) days of the effective date of this decision and file an affidavit with the Compliance Section within forty (40) days of the effective date of this decision verifying that notice has been sent to the customers.



Deborah R. Scott

Director

for

Utilities Division

DRS:RSK:bsl/JMA

Originator: Robert S. Kennedy

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 WILLIAM A. MUNDELL
Chairman
3 JIM IRVIN
Commissioner
4 MARC SPITZER
Commissioner
5

6 IN THE MATTER OF THE APPLICATION)
OF ANWAY MANVILLE WATER COMPANY,)
7 L.L.C., FILING FOR APPROVAL OF A)
CURTAILMENT PLAN TARIFF FOR ITS)
8 SYSTEM)

DOCKET NO. W-032330A-01-0431
DECISION NO. _____
ORDER

9 Open Meeting
July 24 and 25, 2001
10 Phoenix, Arizona

11 BY THE COMMISSION:

12 FINDINGS OF FACT

13 1. On June 4, 2001, Anway Manville Water Company, L.L.C., (“Anway”) filed an
14 application with the Commission requesting approval of a curtailment plan.

15 2. Anway is a public service corporation which provides water utility service to the public
16 in a portion of Pima County

17 3. Anway has two wells and serves 91 customers west of Tucson, Arizona.

18 4. Anway is requesting approval of a Curtailment Tariff. The purpose of this tariff is to
19 establish guidelines to restrict the water use of customers at times when Anway is experiencing a water
20 shortage emergency.

21 5. The curtailment tariff proposed by Anway would work in stages as follows:

22 Stage 1 Exists When:

23 a. The Company is able to maintain water storage in the system at 100 percent of
24 capacity and there are no known problems with its well production or water
25 storage in the system.

26 Restrictions: Under Stage 1, the Company is deemed to be operating normally and no
curtailment restrictions are necessary.

27 Notice Requirements: Under Stage 1, no notice is necessary.
28

1 Stage 2 Exists When:

- 2 a. The Company's total storage and well production has been less than 80 percent
3 of capacity for at least 48 hours consecutive hours, and
- 4 b. The Company has identified issues such as a steadily declining water table, an
5 increased draw-down threatening pump operations, poor water production
6 creating a reasonable belief the Company will be unable to meet anticipated
7 water demands in the system.

8 Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ
9 water conservation measures to reduce water consumption by approximately 50 percent.
10 Outside watering should be limited to essential water, dividing outside watering on some
11 uniform basis (such as even and odd days) and eliminating outside watering on weekends and
12 holidays.

13 Notice Requirements: Under Stage 2, the Company is required to notify customers by
14 delivering written notice door to door at each address, or by United States first class mail to
15 the billing address or, at the Company's option, both. Such Notice shall notify the customers
16 of the general nature of the problem and the need to conserve water.

17 Stage 3 Exists When:

- 18 a. The Company's total storage and well production has been less than 50 percent
19 for at least 24 consecutive hours. The Company has identified issues such as
20 a steadily declining water table, and increased draw down threatening pump
21 operations creating a reasonable belief the Company will be unable to meet
22 anticipated water demand on a sustain basis. The Company must rely on an
23 emergency connection with the City of Tucson to augment the minimum needs
24 of the customers.

25 Restrictions: Under Stage 3, the Company shall request the customers to voluntarily employ
26 water conversation measures to reduce daily consumption by approximately 50 percent. All
27 outside watering should be eliminated, except livestock, and indoor water conservation
28 techniques should be employed wherever possible.

29 Notice Requirements:

- 30 a. The Company is required to notify customers by delivering written notice to
31 each service address, or by United States first class mail to the billing address
32 or, at the Company's option, both. Such Notice shall notify the customers of
33 the general nature of the problem and the need to conserve water.
- 34 b. Beginning with Stage 3, the Company shall post at least two signs showing
35 curtailment stage. Signs shall be posted at the well site and at the entrance to
36 the major subdivision served by the Company.

- 1 c. Company shall notify the Consumer Services Unit of the Utilities Division of
2 the Commission at least 12 hours prior to entering Stage 3.

3 Stage 4 Exists:

- 4 a. Company's total storage has been less than 25 percent for at least 12
5 consecutive hours. The Company has identified issues such as a steadily
6 declining water table, and increased draw down threatening pump operations
7 creating a reasonable belief the Company will be unable to meet anticipated
8 water demand on a sustained basis. The Company must rely on an emergency
9 connection with the City of Tucson to augment the minimum needs of the
10 customers.

11 Restrictions: Under Stage 4, the Company shall inform the customers of a mandatory
12 restriction to employ water conservation measures to reduce daily consumption. All outside
13 watering should be eliminated, except livestock, and indoor water conservation techniques
14 should be employed wherever possible. Failure to comply will result in temporary
15 disconnection.

16 Notice Requirements:

- 17 a. The Company is required to notify customers by delivering written notice to
18 each service address, or by United States first class mail to the billing address
19 or, at the Company's option, both. Such Notice shall notify the customers of
20 the general nature of the problem and the need to conserve water.
- 21 b. The Company shall have posted at least two signs showing curtailment stage.
22 Signs shall be posted at the well site and at the main entrance to the major
23 subdivision served by the Company.
- 24 c. The Company shall notify the Consumer Services Unit of the Utilities Division
25 of the Commission at least 12 hours prior to entering Stage 4.
- 26 d. Customers who fail to comply with cessation of outdoor use provisions will be
27 given a written notice to end all outside use. Failure to comply within two (2)
28 working days of receipt of the notice will result in temporary loss of service
until an agreement can be made to end unauthorized use of outside water. To
restore service, the customer shall be required to pay all authorized
reconnection fees.

6. Staff agrees with Anway that it needs a curtailment mechanism in place and finds it to
be in the public interest. Therefore, Staff recommends approval of the curtailment plan filed by Anway
with the following modifications:

- a. The word "and" should be inserted before the word "poor" in paragraph "b"
under Stage 2.

- 1 b. Under Stage 3 there should be a paragraph "a" and "b". Paragraph "a" should
2 be the first sentence as currently written under Stage 3. Paragraph "b" should
3 be the same as paragraph "b" under Stage 2. The reference to the City of
4 Tucson should be eliminated.
- 5 c. For the Notice Requirements under Stage 3, the word "Unit" should be replaced
6 with the word "Section" in paragraph "c". A sentence should be added to
7 paragraph "c" that states, "In addition, the Company shall inform the Consumer
8 Services Section of the Company's plans to correct the water shortage problem
9 and how long the Company expects to remain in Stage 3."
- 10 d. Under Stage 4 there should be a paragraph "a" and "b". Paragraph "a" should
11 be the first sentence as currently written under Stage 4. Paragraph "b" should
12 be the same as paragraph "b" under Stage 2. The reference to the City of
13 Tucson should be eliminated.
- 14 e. For the Notice Requirements under Stage 4, the word "Unit" should be replaced
15 with the word "Section" in paragraph "c". Two sentences should be added to
16 paragraph "c" that state, "In addition, the Company shall inform the Consumer
17 Services Section of the Company's plans to correct the water shortage problem
18 and how long the Company expects to remain in Stage 4. The Company shall
19 immediately notify the Consumer Services Section when the Stage 4
20 restrictions are lifted."
- 21 7. Staff further recommends that this curtailment procedure become part of Anway's
22 Arizona Department of Environmental Quality Emergency Operations Plan.
- 23 8. Staff further recommends that during the period when these water usage restrictions are
24 effective, Anway's tariff reconnection rate shall apply to any service terminated for failure to comply
25 with the curtailment conditions during Stage 4.
- 26 9. Staff further recommends that Anway file with the Utilities Compliance Section a copy
27 of the curtailment tariff as approved by the Commission within thirty (30) days of the effective date
28 of the Commission's decision in this matter. Staff further recommends that the curtailment tariff not
29 become effective until the final tariff is filed with the Compliance Section and verified for accuracy
30 by Staff.
- 31 10. Staff further recommends that the Company notify all of its customers of this new tariff
32 within thirty (30) days of the effective date of this decision and file an affidavit with the Compliance
33 Section within forty (40) days of the effective date of this decision verifying that notice has been sent
34 to the customers.

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CONCLUSIONS OF LAW

1. Anway Manville Water Company, L.L.C. is a public service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

2. The Commission has jurisdiction over Anway and the subject matter of the application.

3. The Commission, having reviewed the application and Staff's Memorandum dated July 10, 2001, concludes that it is in the public interest to approve the curtailment plan tariff.

ORDER

IT IS THEREFORE ORDERED that Anway Manville Water Company, L.L.C., be authorized to implement its proposed curtailment plan tariff with the modifications as recommended by Staff as described in findings of fact No. 6.

IT IS FURTHER ORDERED that this curtailment procedure become part of Anway's Arizona Department of Environmental Quality Emergency Operations Plan.

IT IS FURTHER ORDERED that during the period when these water usage restrictions are effective, Anway Manville Water Company, L.L.C.'s tariff reconnection rate shall apply to any service terminated for failure to comply with the curtailment conditions during Stage 4.

IT IS FURTHER ORDERED that Anway Manville Water Company, L.L.C., shall file with the Utilities Division Compliance Section a copy of the curtailment tariff as approved by the Commission within 30 days of the effective date of the Commission's decision in this matter.

IT IS FURTHER ORDERED that this curtailment tariff not become effective until the final tariff is filed with the Compliance Section and verified for accuracy by Staff of the Utilities Division.

IT IS FURTHER ORDERED that Anway Manville Water Company, L.L.C., shall not implement its curtailment plan tariff until all current customers of Anway have been given notice of this tariff.

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1 IT IS FURTHER ORDERED that Anway Manville Water Company, L.L.C., shall notify its
 2 customers of the curtailment plan within thirty (30) days of the effective date of this decision and file
 3 an affidavit with the Compliance Section within forty (40) days of the effective date of this decision
 4 verifying that notice has been sent to the customers.

5 IT IS FURTHER ORDERED that this Decision become effective immediately.

6 **BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

7
 8 CHAIRMAN COMMISSIONER COMMISSIONER

9 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
 10 Secretary of the Arizona Corporation Commission, have
 11 hereunto, set my hand and caused the official seal of this
 12 Commission to be affixed at the Capitol, in the City of
 13 Phoenix, this _____ day of _____, 2001.

14 BRIAN C. McNEIL
 15 Executive Secretary

16
 17 DISSENT: _____

18 DRS:RSK:bsl/JMA

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1 SERVICE LIST FOR: Anway Manville Water Company, L.L.C.

2 DOCKET NO. W-032330A-01-0431

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4 Anway Manville Water Company, L.L.C.
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6 Tucson, Arizona 85754

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