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MEMORANDUM

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TO: Docket Control

Arizona Corporation Commission

2008 MAR 21 P 1:02

FROM: Ernest G. Johnson  
*for* Director  
Utilities Division

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AZ CORP COMMISSION  
DOCKET CONTROL

MAR 21 2008

DATE: March 21, 2008

DOCKETED BY *mm*

RE: **COMPLIANCE FILING PER DECISION NO. 69165 -**  
IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK  
SERVICE COMPANY FOR A CAPACITY RESERVATION CHARGE  
TARIFF FOR ITS NEW WASTEWATER CERTIFICATED OF  
CONVENIENCE AND NECESSITY EXTENSION AREAS, DOCKET NO.  
SW-01428A-06-0444

**Introduction**

On December 5, 2006, the Commission approved Decision No. 69165 for an Off-Site Facilities Hook-Up Fee Tariff for Litchfield Park Service Company – Wastewater Division (“Company”). Two of the Decision’s orders were that:

*The Company file with Docket Control as a compliance item, a copy of the Off-Site Facilities Hook-Up Fee Tariff within 30 days of a decision in this matter.*

And

*The Off-Site Facilities Hook-Up Fee Tariff not become effective until the Phase 1 carbon absorption unit has been installed and is operating and the odor problem has been resolved as verified by Commission Staff.*

On February 25, 2008, the Company submitted a letter stating that the odor abatement program at its Palm Valley Water Reclamation Facility (“PVWRF”) was completed and requested a Staff verification site visit in order for the Off-Site Hook-Up Fee Tariff to go into effect.

**Chronology**

On January 4, 2007, the Company docketed its Off-Site Facilities Hook-Up Fee Tariff within the 30 day timeframe of the decision. In this same filing, the Company acknowledged that the Tariff would become effective upon Commission Staff verifying the installation and operation of the Phase 1 carbon absorption unit.

On April 4, 2007, Maricopa County Environmental Services Department issued a Certificate of Approval of Construction for the Phase 1 carbon adsorption unit.

On June 13, 2007, the Company filed a response to Commissioner Mayes' May 29, 2007 letter regarding certain questions to the odor issues. Within the responses, the Company provided an engineering report prepared by McBride Engineering Solutions showing the current construction schedule for 10 odor control projects. Included with the filing, the Company provided an air monitoring report by Lambtech showing the fenceline hydrogen sulfide (H<sub>2</sub>S) tested on March 7, 2007, with concentrations ranging from 0.006 parts per million ("PPM") to 0.011 PPM. The regulation level for H<sub>2</sub>S is 0.030 PPM for 30 minutes.

On October 18, 2007, Staff filed a report regarding the Company's wastewater spills and odor issues. Within Staff's report, Staff provided an updated project schedule for the 10 odor control projects. It was noted in the report that although the Company's schedule indicated some of the projects have not met the anticipated schedule dates, the Company is still on schedule in resolving the complete odor control issues by December 2007.

On November 29, 2007, Staff attended the Community Liaison Committee ("CLC") meeting at the Company's PVWRF. At this meeting, Aerisa International Inc. ("Aerisa") presented its odor abatement technology, followed by a tour of the newly installed odor control system. (Aerisa produces and sells systems and equipment to prevent the dissemination of diseases caused by airborne contaminants.) This Aerisa system was installed as a pilot study. It was noted by all attendees that the Aerisa system had reduced the odors tremendously.

After the CLC meeting, the Company informed Staff that although the pilot study of the Aerisa system was scheduled for a few weeks, the Company would continue the pilot study for three more months to insure that the Aerisa system was actually working. After the three month period, the Company would then submit its notice of the odor abatement program completion and request for Staff's verification.

On January 18, 2008, the Company provided another air monitoring report by Lambtech showing the fenceline H<sub>2</sub>S tested on December 12, 2007, with concentrations ranging from 0.002 PPM to 0.004 PPM. This test was conducted during the pilot testing of the Aerisa system.

On March 5, 2008, Staff members; Dorothy Hains, Katrin Stukov, and Marlin Scott, Jr., conducted an on-site inspection of the Company's PVWRF to verify that the Phase 1 carbon adsorption unit had been installed and operating and the odor problem had been resolved. Staff toured the PVWRF and verified that the Phase 1 carbon adsorption unit was installed and operating. Staff took notice that all the odor abatement program projects were completed. Staff also noticed a "musty" smell (on plant property) during the tour, but contributed this smell due to the PVWRF being under construction to increase the plant capacity by 1.0 million gallons per day. Staff could not detect this smell outside the fenceline.

Docket Control  
March 21, 2008  
Page 3

**Conclusion/Recommendation**

Having verified that the Company has installed the Phase 1 carbon adsorption unit and the odor problem has been resolved, Staff recommends that the Off-Site Hook-Up Fee Tariff be implemented and effective on April 1, 2008.

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ORIGINATOR: Marlin Scott, Jr.

Service list for: Litchfield Park Service Company  
Docket No. SW-01428A-06-0444

Mr. Richard L. Sallquist, Esq.  
Sallquist, Drummond & O'Connor, P.C.  
4500 South Lakeshore Drive, Suite 339  
Tempe, Arizona 85282

Mr. Bob Dodds, General Manager  
Litchfield Park Service Company  
12725 West Indian School Road, Suite D-101  
Avondale, Arizona 85323

Mr. Ernest G. Johnson  
Director, Utilities Division  
1200 West Washington Street  
Phoenix, Arizona 85007

Mr. Christopher C. Kempley  
Chief Counsel  
1200 West Washington Street  
Phoenix, Arizona 85007