

ORIGINAL

NEW APPLICATION



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9 **BEFORE THE ARIZONA CORPORATION COMMISSION**

10 SW-03437A-09-0493

11 IN THE MATTER OF THE
12 APPLICATION OF VERDE SANTA
13 FE WASTEWATER COMPANY FOR
14 APPROVAL OF A REVISED TARIFF
15 REDUCING THE COMMODITY
16 RATE FOR EFFLUENT SALES

17 DOCKET NO.: SW-03437A-09-_____

18 **NOTICE OF FILING REVISED TARIFF
19 FOR A REDUCTION IN THE
20 COMMODITY RATE FOR EFFLUENT
21 SALES**

22 Pursuant to A.R.S. §40-367, Verde Santa Fe Wastewater Company ("VSFWC" or
23 "Company") hereby gives notice of filing a revised Tariff Schedule ("Tariff"). The
24 revised Tariff reduces the present rate of \$2.00 per one thousand (1,000) gallons of
25 effluent water to a rate of \$0.40 per one thousand (1,000) gallons of effluent water. A
26 copy of VSFWC's revised Tariff is attached hereto as **Exhibit 1**. The reason for this
revised Tariff is two-fold: (1) to promote groundwater conservation by making the use of
effluent in new and existing developments a viable economic alternative; and (2) to
maintain and enhance the public health, safety and welfare by enhancing VSFWC's
ability to dispose of treated effluent.

VSFWC's present rates for wastewater service were established in Decision No.
60779 (April 8, 1998). The present commodity rate for effluent water sales by VSFWC is
\$2.00 per one thousand (1,000) gallons. As a result, potential purchasers generally look
elsewhere for less costly sources of water, including groundwater and potable water.
Development within and around VSFWC's present CC&N has steadily increased over the

1 years causing greater demand on groundwater and renewable water sources. At the same
2 time, the growth has created a need for the proper treatment and disposal of effluent from
3 treating increased wastewater flows. A reduction in VSFWC's present commodity rate
4 for effluent sales will not only provide a viable economic alternative to other potable and
5 non-potable resources but will also contribute to overall water conservation efforts in
6 Arizona by reducing reliance on the use of groundwater.

7 In fact, VSFWC believes that the Verde Santa Fe Golf Course is interested in using
8 effluent for its grounds, however, VSFWC's present rate for effluent makes such use cost
9 prohibitive to the golf course, limiting the Company's ability to dispose of its effluent
10 wastewater in an economic and efficient manner. Thus, reducing the rate of effluent sales
11 to "market" prices serves the public interest by promoting sales of effluent to Verde Santa
12 Fe Golf Course. In order to promote the use of effluent in Yavapai County, the Company
13 has tentatively set its market price at \$0.40 per one thousand (1,000) gallons of effluent
14 water, which is comparable to the cost of pumping groundwater for use by the golf course.
15 The Verde Santa Fe Golf Course has also identified this rate as a reasonable charge for the
16 effluent.

17 The Commission has followed a similar approach for another wastewater utility.
18 In Decision No. 65436 (December 9, 2002)¹, the Commission approved a settlement
19 agreement in which it was agreed the rate for the sale of effluent or reclaimed water would
20 be based on "market" rates. Thus, although the rate authorized in Decision No. 65436
21 will fluctuate, the maximum effluent rate is capped at \$1.32 per one thousand (1,000)
22 gallons. Similarly, VSFWC's rate for effluent under its revised Tariff will not exceed the
23 proposed rate of \$0.40 per one thousand (1,000) gallons of effluent water. As a
24 consequence, the requested Tariff change for effluent sales is revenue neutral and a rate

25 ¹ *In the Matter of the Application of Litchfield Park Service Company for an Increase in its Water*
26 *and Wastewater Rates for Customers within Maricopa County, Arizona.* Docket No. W-01427A-
01-0487, WS-01428A-01-0487.

1 case is not required. See A.R.S. §40-250(A).

2 Accordingly, VSFWC hereby provides notice of a change in its rate for sale of its
3 effluent to a market rate not to exceed \$0.40 per one thousand (1,000) gallons.

4 RESPECTFULLY SUBMITTED this 14th day of October, 2009.

5 FENNEMORE CRAIG

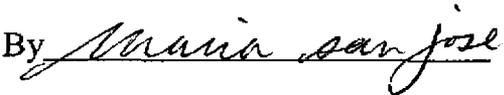
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7 By 
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11 ORIGINAL and 15 copies of the foregoing
12 filed this 14th day of October, 2009 with:

13 Docket Control
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17 COPY of the foregoing hand-delivered
18 this 14th day of October, 2009 to:

19 Compliance Section
20 Arizona Corporation Commission
21 1200 West Washington Street
22 Phoenix, Arizona 85007

23 By 

24 2240162/26985.001

25

26

Exhibit 1

SEWER TARIFF SCHEDULE

Utility: Verde Santa Fe Wastewater Co.
 Docket No.:

Page 1 of 1
 Decision No.:
 Effective:

Rates and Charges

Customer Classification	Current Rates	Notes
Flat Rate		
Residential	\$40.00	Per Month
Commercial	\$40.00 x SFE	Per Month (See Note 1)
Based on Water Usage		
Residential	N/A	
Commercial	N/A	
Effluent Sales	\$0.40	Per 1,000 gallons
Service Line Connection Charge	N/A	
Service Charges		
Establishment (R14-2-603.D.1)	\$25.00	
Reconnection /Delinquent (R14-2-603.D.1)	\$30.00	
Deposit (R14-2-603.B.7)	2 x Flat Rate	See Note 2
Deposit Interest (R14-2-603.D.1)	3.5%	Annual Effective Rate
Reestablishment within 12 months (R14-2-603.D.1)	# months off system x monthly minimum	
NSF Check (R14-2-608.E.1)	\$25.00	
Late Payment Penalty (R14-2-608.F.1)	1.50%	

Other Charges as Specified by Order:

Note 1: If a commercial flat rate is necessary, it will be calculated for each commercial customer by dividing the expected design daily sewer flow rate (as prescribed by Ten States Standards) by one SFE (single family equivalent). One SFE will equal 262 gallons per day (the approved design flow rate per single family unit by ADEQ). The resulting factor will be multiplied by the approved residential flat rate to get the commercial monthly flat rate.

Note 2: VSFWC will estimate the monthly flow from each new commercial customer based on the design flow rates prescribed by the Ten States Standards. The deposit will then be calculated by taxing the monthly flow rate to determine the sewer rate, then multiplying this rate times 2.5.