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BEFORE THE ARIZONA CORPORATION

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AZ CORP COMMISSION
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COMMISSIONERS
KRISTIN K. MAYES, Chairman
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BOB STUMP

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WASTEWATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. SW-01428A-09-0103

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICES BASED THEREON.

DOCKET NO. W-01427A-09-0104

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR AUTHORITY (2) TO ISSUE EVIDENCE OF INDEBTEDNESS IN CONNECTION WITH (A) THE CONSTRUCTION OF TWO RECHARGE WELL INFRASTRUCTURE IMPROVEMETNS AND (2) TO ENCUMBER ITS REAL PROPERTY AND PLANT AS SECURITY FOR SUCH INDEBTEDNESS.

DOCKET NO. W-01427A-09-0116

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR AUTHORITY (1) TO ISSUE EVIDENCE OF INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$1,170,000 IN CONNECTION WITH (A) THE CONSTRUCTION OF ONE 200 KW ROOF MOUNTED SOLAR GENERATOR INFRASTRUCTURE IMPROVEMENTS AND (2) TO ENCUMBER ITS REAL PROPERTY AND PLANT AS SECURITY FOR SUCH INDEBTEDNESS.

DOCKET NO. W-01427A-09-0120

STAFF'S NOTICE OF FILING
SUMMARY

Arizona Corporation Commission

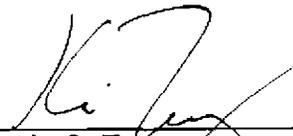
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DOCKETED BY [Signature]

1 The Staff of the Arizona Corporation Commission ("Staff") hereby files its Summary
2 regarding the Water Division - Conclusions and Recommendations and the Wastewater Division -
3 Conclusions and Recommendations, in the above-referenced matter.

4 RESPECTFULLY SUBMITTED this 4th day of January, 2010.

5
6 
7 Kevin O. Totrey
8 Attorney, Legal Division
9 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

10 Original and thirteen (13) copies
11 of the foregoing were filed this
12 4th day of January, 2010, with:

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

15 Copies of the foregoing were mailed
16 this 4th day of January, 2010 to:

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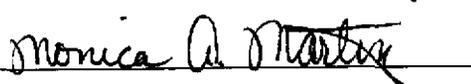
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28 

**SUMMARY
LITCHFIELD PARK SERVICE COMPANY
DOCKET NOS. SW-01428A-09-0103, ET AL.**

WATER DIVISION

Conclusions

- 1
- 2
- 3 A. The Litchfield Park Service Company's ("Company") water system has a water loss of 9.3
- 4 percent which is within the acceptable limit of 10 percent.
- 5 B. The water system's current source and storage capacity are adequate to serve the present
- 6 customer base and reasonable growth.
- 7 C. Maricopa County Environmental Services Department has reported the Company's water
- 8 system has no major deficiencies and determined that this system is currently delivering
- 9 water that meets water quality standards required by the Arizona Administrative Code, Title
- 10 18, Chapter 4.
- 11 D. The Company is located in the Arizona Department of Water Resources' Phoenix Active
- 12 Management Area and reported the Company's system is in compliance with its
- 13 requirements governing water providers and/or community water systems.
- 14 E. According to the Utilities Division Compliance Section, the Company had no delinquent
- 15 Arizona Corporation Commission ("ACC") compliance issues.
- 16 F. Staff concludes that the requested Post-Test Year plant, adjusted to \$1,885,770, is used and
- 17 useful for provision of service to the customers.
- 18 G. The Company has an approved curtailment tariff that became effective on December 9, 2002.
- 19 H. The Company has an approved backflow prevention tariff that became effective on January
- 20 20, 1998.
- 21 I. Staff concludes that the Company's financing applications for capital projects in the amount
- 22 of \$1,755,000 for a recharge well project and \$1,170,000 for a solar project are appropriate
- 23 and the cost estimates are reasonable.

24 **Recommendations**

- 25 1. Staff recommends that the Company's reported annual water testing expense of \$28,365 be
- 26 adopted for this proceeding.
- 27
- 28

**SUMMARY
LITCHFIELD PARK SERVICE COMPANY
DOCKET NOS. SW-01428A-09-0103, ET AL.**

- 1 2. Staff recommends the removal of the Litchfield Greens Booster Station at a cost of \$78,879
2 from the plant-in-service because this booster station is not used and useful.
- 3 3. Staff recommends that the Company continue to use the Staff's recommended water
4 depreciation rates by individual National Association of Regulatory Utility Commissioners
5 ("NARUC") category as shown in Water Division Table J-1.
- 6 4. Staff recommends approval of its proposed charges with separate installation charges for the
7 service line and meter installations.
- 8 5. Staff recommends that the Company file with Docket Control, as a compliance item in the
9 docket, by June 30, 2011, a copy of the Certificate for Approval to Construct for the recharge
10 well project.

WASTEWATER DIVISION

Conclusions

- 14 A. The Company's Palm Valley Water Reclamation Facilities have adequate treatment capacity
15 to serve the present customer base and reasonable growth.
- 16 B. The Arizona Department of Environmental Quality ("ADEQ") has reported the Company has
17 no deficiencies and in compliance with ADEQ regulations.
- 18 C. According to the Utilities Division Compliance Section, the Company had no delinquent
19 ACC compliance issues.

Recommendations

- 21 1. Staff recommends the removal of the three lift stations, totaling to \$554,977, from the plant-
22 in-service because these booster stations are not used and useful.
- 23 2. Staff recommends that the Company continue to use the Staff's recommended wastewater
24 depreciation rates by individual NARUC category as shown in Wastewater Division Table
25 H-1.