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BEFORE THE ARIZONA CORPORATION COMMISSION

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1 KRISTIN K. MAYES
2 Chairman

Arizona Corporation Commission

3 GARY PIERCE
4 Commissioner

DOCKETED

5 PAUL NEWMAN
6 Commissioner

APR 14 2010

7 SANDRA D. KENNEDY
8 Commissioner

DOCKETED BY	NR
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9 BOB STUMP
10 Commissioner

11 IN THE MATTER OF THE APPLICATION
12 OF INDIADA WATER COMPANY, INC.,
13 FOR A CURTAILMENT TARIFF

DOCKET NO. W-02031A-09-0518

DECISION NO. 71634

ORDER

14 Open Meeting
15 March 31 and April 1, 2010
16 Phoenix, Arizona

17 BY THE COMMISSION:

FINDINGS OF FACT

18 1. Indiada Water Company, Inc. ("Indiada" or "Company") is certificated to provide
19 water as a public service corporation in the State of Arizona.

20 2. On November 12, 2009, Indiada filed an "Application for Approval of Curtailment
21 Tariff".

22 3. On November 30, 2009, the Company and Staff agreed to extend the time clock
23 requirements by ninety (90) days to provide for more time to adequately examine and discuss the
24 application.

25 4. Indiada's current curtailment tariff became effective on June 10, 2004; the proposed
26 tariff deviates from the current curtailment tariff in that when a customer violates water use
27 restrictions and his or her service is disconnected, the Company would now be allowed to assess a
28 reconnection fee. The proposed tariff included the following reconnection fee for each violation:

1	1 st violation:	\$300.00
2	2 nd violation:	\$600.00
3	3 rd violation:	\$900.00

4 5. The Company modeled its proposed penalty provision and fee amounts after Pine
5 Water Company, Inc. ("Pine") curtailment tariff, which was approved by the Commission in
6 Decision No. 62846.

7 6. In Pine, the company "had to disconnect some customers for repeated violations" of
8 the Stage 5 curtailment tariff restrictions. The reconnection fee tariff modification approved for
9 Pine only applied for the second disconnection for a violation of the Pine curtailment tariff. Any
10 fees Pine collected were to be used for hauling and buying water from another water system,
11 which it had been doing since late May 2000 due to a critical shortage of adequate water supplies
12 within its certificated area. In support of its proposed tariff, Pine reported that it had hauled
13 approximately 2,301,000 gallons of from since May 29, 2000 to July 19, 2000.

14 7. On August 18, 2009, the Commission approved an interim Emergency Surcharge
15 for Indiada in Decision No. 71321.¹ In reviewing this request, Staff found that a financial
16 emergency existed and recommended approval of an emergency surcharge. The Commission
17 adopted Staff's recommended surcharge. Staff's engineering analysis concluded that the Indiada
18 water system had adequate production and storage capacity to serve existing and future
19 customers.²

20 8. Based on the information provided by the Company, the Company has neither
21 consistently, nor to any great extent, exercised enforcement of the mandatory water use restriction
22 provisions in its existing curtailment tariff.

23 _____
24 ¹ In support of the proposed surcharge the Company asserted that the water table in the service area was dropping
25 dramatically; the Company's wells consistently have not been able to keep up with customers' water demands. The
26 Company feared water shortages during the summer. Indiada also sited a lack of adequate storage for the Indiada
27 water system.

28 ² Staff's review concluded that the Company's water system consisted of three wells with a total production of 52
gallons per minute ("GPM"), a 12,000 gallon storage tank, a booster pump station and a 2,170 gallon pressure tank
system to serve 56 customers in an unincorporated area near Sierra Vista, Cochise County, Arizona. There is an
existing temporary interconnection between the Company and Antelope Run Water Company (a sister owned and
operated Company). Based on 2008 water usage data, the Company had adequate production and storage capacity to
serve its existing customers and future growth.

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ORDER

THEREFORE, IT IS ORDERED that the application by Indiada Water Company, Inc. to amend its existing Curtailment Tariff is denied.

IT IS FURTHER ORDERED that this Decision become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION



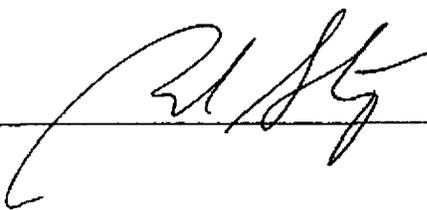
CHAIRMAN



COMMISSIONER



COMMISSIONER



COMMISSIONER



COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 14th day of April, 2010.


ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:DMH:lhmkR

1 SERVICE LIST FOR: Indiada Water Company, Inc.
2 DOCKET NO. W-02031A-09-0518

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