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1 FENNEMORE CRAIG, P.C.  
Patrick J. Black (No. 017141)  
2 3003 North Central Avenue, Suite 2600  
Phoenix, Arizona 85012  
3 Telephone: (602) 916-5400  
Facsimile: (602) 916-5600  
4 Email: pblack@fclaw.com

5 Attorneys for Valley Utilities Water Company

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

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9 IN THE MATTER OF THE  
APPLICATION OF VALLEY UTILITIES  
10 WATER COMPANY, AN ARIZONA  
CORPORATION, FOR A  
11 DETERMINATION OF THE FAIR  
VALUE OF ITS UTILITY PLANT AND  
PROPERTY AND FOR INCREASES IN  
12 ITS RATES AND CHARGES FOR  
UTILITY SERVICE BASED THEREON.

DOCKET NO: W-01412A-08-0586

**SUPPLEMENTAL NOTICE OF  
COMPLIANCE**

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Pursuant to Decision No. 71482 (February 3, 2010) ("Order"), on June 2, 2010, Valley Utilities Water Company (the "Company") submitted for Commission consideration five Best Management Practices ("BMPs") that the Company proposes so as to comply with the Order. Per Staff's request, the Company is resubmitting those BMPs in the form of a tariff. See **Exhibit A** attached hereto.

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DATED this 18th day of June, 2010.

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FENNEMORE CRAIG, P.C.

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By:   
Patrick J. Black  
Attorneys for Valley Utilities Water Company

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Arizona Corporation Commission  
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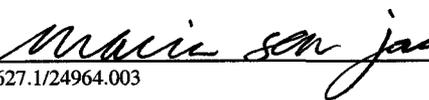
1 **ORIGINAL** and 13 copies of the foregoing filed  
2 this 18th day of June, 2010 with:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 West Washington Street  
6 Phoenix, AZ 85007

7 **COPY** of the foregoing hand-delivered  
8 this 18th day of June, 2010 to:

9 Steven M. Olea, Director  
10 Utilities Division  
11 Arizona Corporation Commission  
12 1200 West Washington Street  
13 Phoenix, AZ 85007

14 Carmel Hood  
15 Compliance Division  
16 Arizona Corporation Commission  
17 1200 West Washington Street  
18 Phoenix, AZ 85007

19 By:   
20 2524627.1/24964.003

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# EXHIBIT

A

## **Youth Conservation Education Program Tariff – BMP 2.2**

### **PURPOSE**

A program for the company to promote water conservation by increasing students' understanding of water resources and the need to conserve (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.2: Youth Conservation Education Program).

### **REQUIREMENTS**

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adopted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified NPCCP.

1. The Company or designated representative shall work with schools in its service area to increase students' understanding of water resources and to promote water conservation.
2. The Company shall provide a combination of instructional assistance, education materials, teacher education, classroom presentations and field trips to water related facilities.
3. The Company shall provide the following teacher resources.
  - a. Offer Project WET (Water Education for Teachers) workshops for teachers twice yearly.
  - b. Provide free resource materials and information upon request.
  - c. Provide in-classroom presentations upon request.
4. The Company shall make available free water conservation workbooks for elementary school students.
5. The Company shall keep a record of the following information and make it available upon request.
  - a. A description of the youth conservation education process implemented.
  - b. The number of students reached (or an estimate).
  - c. A description of the written water conservation material provided free to students.
  - d. Costs of the Youth Conservation Education Program implementation.

## **Water Budgeting Program (non-residential) Tariff – BMP 3.3**

### **PURPOSE**

A program for the company to provide assistance to one or more non-residential water user groups (such as homeowner associations) in developing monthly and/or annual water use target amounts for outdoor and/or indoor water use that reflect highly water efficient water use/application rates (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.3: Water Budgeting Program).

### **REQUIREMENTS**

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adopted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified NPCCP.

1. The Company or designated representative shall work with homeowner associations (HOA's) in its service area to offer customized water budgets, water saving options, and conservation information.
2. The Company shall contact the HOA representatives to discuss over-seeding (or not-over-seeding) proper irrigation techniques, sprinkler monitoring and repair, and low water-use landscaping.
3. The Company shall keep a record of the following information and make it available upon request.
  - a. A description of the water budgeting program implemented.
  - b. A list of the HOA's and representatives contacted.
  - c. Costs of the Water Budgeting Program implementation.

**Customer High Water - Use Inquiry Resolution Tariff -**  
**BMP 3.6**

**PURPOSE**

A program for the company to promote water conservation by assigning a company designee to assist customers with high water-use complaints (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.6: Customer High Water-Use Inquiry Resolution).

**REQUIREMENTS**

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adopted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified NPCCP.

1. The Company's designated representative shall work with customers who have a high water-use complaint to promote water conservation.
  - a. The Company representative shall visit the customer's service address and do an inspection to discover the cause of the increase in the water bill.
  - b. Work Orders will be generated and acted on for each complaint with a description of findings.
  
2. The Company shall keep a record of the following information.
  - a. Each Work Order completed and will be made available upon request.
  - b. Costs of the Customer High Water-Use Inquiry Resolution program.

## **Water Waste Investigation and Information Tariff – BMP 3.8**

### **PURPOSE**

A program for the company to assist customers with water waste complaints (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.8: Water Waste Investigations and Information).

### **REQUIREMENTS**

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adopted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall alert customers that they can report incidents of water waste such as a broken sprinkler heads at parks and common areas.
2. The Company or designated representative shall work with customers who lodge complaints concerning water waste. A complaint investigation will typically include a site inspection and follow-up action.
3. The Company shall keep a record of the following information and make it available upon request.
  - a. A description of the water Waste Investigation and Information Program implemented.
  - b. A list of all water waste complaints and follow-up actions taken.
  - c. Costs of the Water Waste and Information Program implementation.

## **Meter Repair and/or Replacement Program – BMP 4.2**

### **PURPOSE**

A program for the Company to promote water conservation through water meter accuracy to benefit the customer and the company by systematically assessing water meters (Modified Non-Per Capita Conservation Program BMP Category 4: Physical System Evaluation and Improvement 4.2: Meter Repair and/or Replacement Program).

### **REQUIREMENTS**

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adopted from the Arizona Department of Water Resources' Best Management Practices, Category 4: Physical System Evaluation and Improvement, in the Modified NPCCP.

1. Each month production well meter reads will be compared to water sales from customer meter reads and the difference monitored and exceptions greater than 10% investigated as to cause.
  - a. All well head production meters are tracked by installation date and gallons measured and will be checked for operation daily.
    - i. If the meter is found to be malfunctioning repairs will be made immediately. Calibration / accuracy will be checked by tank level start and stop with the tank level increase being measure in a 15 minute time frame. See specific tank sizes and calibration for each pump and tank combination. Also, insure that no water enters or exits the tank except for the production pump and associated water meter during the test.
    - ii. A calibrated manometer, adjusted for the correct pipe size, may also be used.
  - b. All well head production meters will be tested annually for accuracy or anytime a discrepancy is indicated.
    - i. Turbo production water meters 1 ½" and larger must be repaired or replaced after 10 years of continuous service.

2. All monthly water meter reads will be reviewed as to accuracy and seasonal tendencies along with abnormal declining or increasing usage. Any meter that displays a pattern of unexplained declining or increasing usage for 2 months or longer shall be checked for accuracy.
  - i. Repair or replace inaccurate meters.
3. All customer meters are tracked by installation date and number of gallons measured.
  - a. 5/8"x3/4" meters will be tested for accuracy after 8 years or 1 million gallons, whichever is first.
  - b. 3/4" meters will be tested for accuracy after 8 years or 2 million gallons, whichever is first.
  - c. 1" meters will be tested for accuracy after 8 years or 2.5 million gallons, whichever is first.
  - d. 1 1/2" meters will be tested for accuracy after 8 years or 12.5 million gallons, whichever is first.
  - e. 2" meters will be tested for accuracy after 8 years or 12.5 million gallons, whichever is first.
  - f. 3" Construction Water meters will be tested for accuracy after 10 million gallons.
4. Any water meter that is found to be inaccurate after testing will be repaired or replaced.
5. Any water meter that is in service for longer than the manufacturers recommended time will be repaired or replaced.
6. The Company shall keep a record of the following information and make it available upon request.
  - a. A list of all meters checked for accuracy.
  - b. All subsequent actions as a result of the checks.
  - c. Costs of the Meter Repair and/or Replacement Program.