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Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION
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A Professional Corporation
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Phoenix, Arizona 85012
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Attorneys for Coronado Utilities, Inc.

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF CORONADO UTILITIES, INC. FOR A
DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANT AND PROPERTY
AND FOR INCREASES IN ITS RATES
AND CHARGES FOR UTILITY SERVICE
BASED THEREON.

DOCKET NO: SW-04305A-09-0291

NOTICE OF COMPLIANCE

Pursuant to Decision No. 71956 (November 1, 2010), Coronado Utilities, Inc. ("Coronado Utilities" or "Company") hereby files this Notice of Compliance in the above-referenced matter. Decision No. 71956 requires Coronado Utilities to: 1) file revised schedules of rates and charges; and 2) notify customers of the revised schedules of rates and charges, and of the Alternative Rates for Wastewater Tariff.

Coronado Utilities' Tariff of Rates and Charges is attached as **Exhibit A**. The Tariff is modified to include service line installation charges (*see* Exhibit A at Sheet No. 2), which were approved in Decision No. 68608 (March 23, 2006), and were requested by the Company in this rate case.¹ Staff did not oppose the request.² Coronado Utilities neglected to recognize the absence of service line installation charges in the Recommended Opinion and Order, issued October 5, 2010. Consequently, these charges were not approved in Decision No. 71956. The Company apologizes for the oversight, and requests that the service line installation charges be deemed effective pursuant to

¹ See Application at Attachment 1, Sheet No. 2; *see also* Bourassa Direct, Rebuttal and Rejoinder Schedules H-3, page 3, and Company's Final Schedule H-3, page 3.

² See Direct Testimony of Gary T. McMurry at 25:4-5 ("Staff agrees with the Company's proposal to continue the existing rate structure (with the exception of effluent sales).").

1 A.R.S. § 40-250(C).

2 Additionally, Coronado Utilities notes that it has modified the format of the
3 Alternative Rates for Wastewater application and declaration pages; however, the content
4 has not changed.

5 On November 4, 2010, Coronado Utilities mailed to customers notification of the
6 revised schedules of rates and charges, and of the Alternative Rates for Wastewater Tariff.
7 See the Affidavit of Kay Reynolds attached as **Exhibit B**.

8 RESPECTFULLY SUBMITTED this 22nd day of November, 2010.

9 FENNEMORE CRAIG, P.C.

10
11 By 
12 Jay L. Shapiro
13 3003 North Central Avenue, Suite 2600
14 Phoenix, Arizona 85012
15 Attorneys for Coronado Utilities, Inc.

16 ORIGINAL and 13 copies of the foregoing
17 filed this 22nd day of November, 2010 with:

18 Docket Control
19 Arizona Corporation Commission
20 1200 West Washington Street
21 Phoenix, Arizona 85007

22 COPY of the foregoing hand-delivered
23 this 22nd day of November, 2010 to:

24 Ayesha Vohra, Esq.
25 Legal Division
26 Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007-2927

Carmel Hood, Compliance
Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

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COPY of the foregoing emailed/mailed
this 22nd day of November, 2010 to:

Jane L. Rodda
Administrative Law Judge
Hearing Division
Arizona Corporation Commission
400 West Congress
Tucson, Arizona 85710-1347

By *maria sam joie*
2368275.1/12923.003

EXHIBIT

A

TABLE OF CONTENTS

PART ONE
STATEMENT OF CHARGES

I. RATES.....Sheet No. 1

II. TAXES AND ASSESSMENTSSheet No. 3

III. OTHER SERVICE CHARGES.....Sheet No. 4

IV. PERMITTED COSTS.....Sheet No. 5

PART TWO
STATEMENT OF TERMS AND CONDITIONS

I. CUSTOMER DISCHARGE TO SYSTEM.....Sheet No. 6

 A. Service Subject to Regulation.....Sheet No. 6

 B. Waste LimitationsSheet No. 6

 C. Inspection and Right of Entry.....Sheet No. 7

II. RULES AND REGULATIONSSheet No. 8

ALTERNATE RATES FOR WASTEWATER (ARW) DOMESTIC SERVICE
- SINGLE FAMILY ACCOMMODATION.....Sheet No. 9

Applies to all WASTEWATER service areas

PART ONE
STATEMENT OF CHARGES

I. RATES

In Opinion and Order No. 71956, dated November 1, 2010, the Commission approved the following rates and charges to become effective November 1, 2010:

Monthly Minimum Charge:

<u>Description</u>	<u>Rate</u>
Residential	\$ 54.00
Commercial	\$ 8.75
Mobile Home Park (monthly per occupied space year-round)	\$ 34.50
School	\$ 8.75

Volumetric Rates (per 1,000 gallons):

<u>Description</u>	<u>Rate</u>
Commercial	\$ 11.60
School	\$ 3.70
Effluent (per 1,000 gallons)	\$ 0.20

Issued: Decision No. 71956 (November 1, 2010)

Effective: November 1, 2010

ISSUED BY:

Jason Williamson, President
6825 E. Tennessee Avenue, Suite 547
Denver, CO 80224

Applies to all WASTEWATER service areas

PART ONE
STATEMENT OF CHARGES

I. RATES (cont.)

Service Line Installation Charges

<u>Service Line Size</u>	<u>Charge</u>
4 inch	At Cost ¹
6 inch	At Cost
8 inch	At Cost
10 inch	At Cost
12 inch	At Cost

¹ Cost includes parts, labor overhead, and all applicable taxes, including income tax.

Issued: Decision No. 71956 (November 1, 2010)

Effective: November 1, 2010

ISSUED BY:

Jason Williamson, President
6825 E. Tennessee Avenue, Suite 547
Denver, CO 80224

Applies to all WASTEWATER service areas

PART ONE
STATEMENT OF CHARGES

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-608(D)(5).

Issued: Decision No. 71956 (November 1, 2010)

Effective: November 1, 2010

ISSUED BY:

Jason Williamson, President
6825 E. Tennessee Avenue, Suite 547
Denver, CO 80224

Applies to all WASTEWATER service areas

PART ONE
STATEMENT OF CHARGES

III. OTHER SERVICE CHARGES

Establishment of service	\$25.00
Deposit	*
Deposit Interest	**
Re-establishment of service	***
NSF Check	\$25.00
Late Payment Penalty	1.5% per month
Deferred Payment	1.5% per month
Main Extension and additional facilities agreements (a)	Cost
Service Calls (after hours, per hour)	\$40.00

* Per Commission Rule A.A.C. R14-2-603(B). Residential: Minimum deposit two times average monthly bill; Non-residential: two and ½ times estimated maximum bill.

** Per Commission Rule A.A.C. R14-2-603(B).

*** Per Commission Rule A.A.C. R14-2-603(D) – Months off the system times the monthly minimum.

(a) Cost includes parts, labor overhead, and all applicable taxes, including income taxes. In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privileges, sales, use and franchise tax. Per Commission Rule R14-2-608(D)(5).

Issued: Decision No. 71956 (November 1, 2010)

Effective: November 1, 2010

ISSUED BY:

Jason Williamson, President
6825 E. Tennessee Avenue, Suite 547
Denver, CO 80224

Applies to all WASTEWATER service areas

PART ONE
STATEMENT OF CHARGES

IV. PERMITTED COSTS

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at cost, costs shall include labor, materials, other charges incurred, and overhead. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date.
- E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
- F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for wastewater facilities under which the Customer advances or contributes funds or facilities to the Company.

Issued: Decision No. 71956 (November 1, 2010)

Effective: November 1, 2010

ISSUED BY:

Jason Williamson, President
6825 E. Tennessee Avenue, Suite 547
Denver, CO 80224

Applies to all WASTEWATER service areas

PART TWO
STATEMENT OF TERMS AND CONDITIONS

I. CUSTOMER DISCHARGE TO SYSTEM

A. Service Subject to Regulation

The Company provides wastewater service using treatment and collection facilities that are regulated by numerous county, state and federal Statutes and Regulations. Those Regulations include limitations as to domestic strength wastewater and the type of wastewater that may be discharged into the system by any person directly or indirectly connected to the plant.

B. Waste Limitations

The Company has established the permissible limits of concentration as domestic strength wastewater and will limit concentration for various specific substances, materials, waters, or wastes that can be accepted in the sewer system, and to specify those substances, materials, waters, or wastes that are prohibited from entering the sewer system. Each permissible limit so established shall be placed on file in the business office of the Company, with a copy filed with the Commission. No person shall discharge, or cause to be discharged, any new sources of inflow including, but not limited to, storm water, surface water, groundwater, roof runoffs, subsurface drainage, cooling water, or polluted industrial process waters into the sanitary sewer. The Company will require an affidavit from all commercial and industrial customers, and their professional engineer, stating that the wastewater discharged to the system does not exceed domestic strength.

Issued: Decision No. 71956 (November 1, 2010)

Effective: November 1, 2010

ISSUED BY:

Jason Williamson, President
6825 E. Tennessee Avenue, Suite 547
Denver, CO 80224

Applies to all **WASTEWATER** service areas

PART TWO
STATEMENT OF TERMS AND CONDITIONS

I. CUSTOMER DISCHARGE TO SYSTEM (cont.)

C. Inspection and Right of Entry

Every facility that is involved directly or indirectly with the discharge of wastewater to the Treatment Plant may be inspected by the Company as it deems necessary. These facilities shall include but not be limited to: sewer; sewage pumping plants; all processes; devices and connection sewer; and all similar sewerage facilities. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of these rules. Inspections may include the collection of samples. Authorized personnel of the Company shall be provided immediate access to all of the above facilities or to other facilities directly or indirectly connected to the Treatment Plant at all reasonable times including those occasioned by emergency conditions. Any permanent or temporary obstruction to easy access to the user's facility to be inspected shall promptly be removed by the facility user or owner at the written or verbal request of the Company and shall not be replaced. No person shall interfere with, delay, resist or refuse entrance to an authorized Company representative attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the Treatment Plant. Adequate identification shall be provided by the Company for all inspectors and other authorized personnel and these persons shall identify themselves when entering any property for inspection purposes or when inspecting the work of any contractor.

All transient motor homes, travel trailers and other units containing holding tanks must arrive at the Company's service area in an empty condition. Inspection will be required of said units prior to their being allowed to hookup to the wastewater system.

Issued: Decision No. 71956 (November 1, 2010)

Effective: November 1, 2010

ISSUED BY:

Jason Williamson, President
6825 E. Tennessee Avenue, Suite 547
Denver, CO 80224

Applies to all WASTEWATER service areas

PART TWO
STATEMENT OF TERMS AND CONDITIONS

II. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-601 through A.A.C. R14-2-609 will be controlling of Company procedures, unless specifically approved tariffs or Commission Order(s) provide otherwise.

Issued: Decision No. 71956 (November 1, 2010)

Effective: November 1, 2010

ISSUED BY:

Jason Williamson, President
6825 E. Tennessee Avenue, Suite 547
Denver, CO 80224

Applies to all WASTEWATER service areas

**ALTERNATE RATES FOR WASTEWATER (ARW)
DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION**

APPLICABILITY

Applicable to residential wastewater service for domestic use rendered to low-income households where the customer meets all the program qualifications and special conditions of this rate schedule.

TERRITORY

Within all customer service areas served by the Company.

RATES

Fifteen percent (15%) discount applied to the regular filed tariff.

PROGRAM QUALIFICATIONS

1. The Coronado Utilities bill must be in your name and the address must be your primary residence or you must be a tenant receiving sewer service for which you are responsible.
2. You may not be claimed as a dependent on another person's tax return.
3. You must reapply each time you move residences.
4. You must renew your application every two (2) years, or sooner, if requested.
5. You must recertify each year by submitting a declaration attesting to your continuing eligibility.
6. You must notify Coronado Utilities within thirty (30) days if you become ineligible for ARW.
7. Your total gross annual income of all persons living in your household cannot exceed the income levels below:

Issued: Decision No. 71956 (November 1, 2010)

Effective: November 1, 2010

ISSUED BY:

Jason Williamson, President
6825 E. Tennessee Avenue, Suite 547
Denver, CO 80224

Effective: _____

<u>No. of Person in Household</u>	<u>Total Gross Annual Income</u>
1	\$16,245
2	21,855
3	27,465
4	33,075
5	38,685
6	44,295

For each additional person residing in the household, add \$5,610

For the purpose of the program the "gross household income" means all money and non cash benefits, available for living expenses, from all sources, both taxable and non taxable, before deductions for all people who live in your home. This includes, but is not limited to:

Wages or salaries	Social Security, SSI, SSP	Rental or royalty income
Interest or dividends from:	Scholarships, grants, or other aid	Profit from self-employment
Savings account, stocks or bonds	used for living expenses	(IRS form Schedule C, Line 29)
Unemployment benefits	Disability payments	Worker's Compensation
TANF (AFDC)	Food Stamps	Child Support
Pensions	Insurance settlements	Spousal Support
Gifts		

Issued: Decision No. 71956 (November 1, 2010)

Effective: November 1, 2010

ISSUED BY:

Jason Williamson, President
6825 E. Tennessee Avenue, Suite 547
Denver, CO 80224

SPECIAL CONDITIONS

1. Application and Eligibility Declaration: An Application and eligibility declaration on a form authorized by the Commission is required for each request for service under this schedule. Renewal of a customer's eligibility declaration will be required, at least, every two (2) years.
2. Recertification: A customer enrolled in the ARW program must, each year, recertify by submitting a declaration attesting to continuing eligibility.
3. Commencement of Rate: Eligible customers shall be billed on this schedule commencing with the next regularly scheduled billing period that follows receipt of application by the Utility.
4. Verification: Information provided by the applicant is subject to verification by the Utility. Refusal or failure of a customer to provide documentation of eligibility acceptable to the Utility, upon request by the Utility, shall result in removal from this rate schedule.
5. Notice from Customer: It is the customer's responsibility to notify the Utility if there is a change of eligibility status.
6. Rebilling: Customers may be re-billed for periods of ineligibility under the applicable rate schedule.
7. Participation Cap: The ARW program is limited to 400 customers.

Issued: Decision No. 71956 (November 1, 2010)

Effective: November 1, 2010

ISSUED BY:

Jason Williamson, President
6825 E. Tennessee Avenue, Suite 547
Denver, CO 80224

CORONADO UTILITIES, INC.
DECLARATION OF ELIGIBILITY
ALTERNATE RATES FOR WASTEWATER PROGRAM

Your Name (Please Print)

Coronado, Inc. Account No. | | | | | | | | | | | | | | | |

Service Address _____

Mailing Address _____
(if different from above address)

Telephone No. (home) _____ (work) _____

I, _____,
Your Name (Please Print)

last submitted an Application for Alternative Rates on _____
(dd/mm/yyyy)

and hereby confirm my eligibility for the year ending _____
(dd/mm/yyyy)

Customer Signature

Date

Mail completed declaration to:

Coronado Utilities, Inc.
6825 E Tennessee Ave. Ste. 547
Denver, CO 80224

Or fax completed declaration to: **(303) 333-1257**

FOR CORONADO UTILITIES, INC. USE ONLY

Date Received _____

Approved and posted to customer file (initial and date to verify) _____

EXHIBIT

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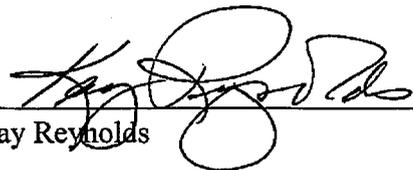
AFFIDAVIT OF KAY REYNOLDS

Kay Reynolds, being duly sworn, deposes and says:

1. I work in the City and County of Denver, Colorado, am over 18 years of age, and make this affidavit based on my own personal knowledge.

2. I am Bookkeeper for Pivotal Utility Management LLC, which manages and operates Coronado Utilities, Inc. ("Coronado Utilities").

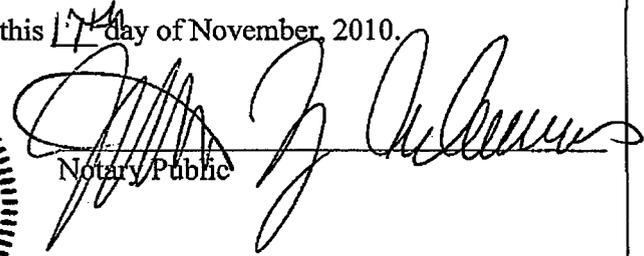
3. Pursuant to Decision No. 71956 (November 1, 2010), on November 4, 2010 Coronado Utilities mailed to its residential and commercial customers the revised schedule of rates and charges, and information on the Alternative Rates for Wastewater Tariff. Copies of the notices are attached hereto as **Exhibit 1**.



Kay Reynolds

SUBSCRIBED and sworn to before me this 17th day of November, 2010.





Notary Public

My Commission Expires: 11-20-11
2370469.1/12923.003

EXHIBIT

1

CORONADO UTILITIES, INC.
DOCKET NO. SW-04305A-09-0291

NEW RATES

On June 3, 2009, Coronado Utilities, Inc. ("Coronado Utilities") filed a rate application with the Arizona Corporation Commission ("Commission"). Coronado Utilities requested a rate increase that would produce a just and reasonable rate of return on the fair value of its utility plant and property. The proposed rates were thoroughly audited by Commission Staff, and a public comment session and evidentiary hearings were held. After considering all of the evidence presented, the Commission issued Decision No. 71956 ("Order") on November 1, 2010.

A residential customer on the regular tariff would see a monthly increase of \$7.50, or 16.1 percent from \$46.50 to \$54.00. In its Order the Commission approved the following rates and charges, **effective November 1, 2010:**

WASTEWATER SERVICE	OTHER SERVICE CHARGES
<u>Monthly Minimum Charge For:</u>	Establishment of service \$25.00
Residential Service \$54.00	Deposit *
Commercial 8.75	Deposit Interest..... **
Mobile Home Park –.....	Re-establishment of service ***
monthly per occupied space year-round .. 34.50	NSF Check..... \$25.00
School..... 8.75	Late Payment Penalty 1.5% per month
Volumetric Rates (per 1,000 gallons)	Deferred Payment 1.5% per month
Commercial \$11.60	Main Extension and
School..... 3.70	additional facilities agreements (a) Cost
Effluent (per 1,000 gallons)..... 0.20	Service calls (after hours, per hour)..... \$40.00
	* Per Commission Rule A.A.C. R14-2-603(B):
	Residential – minimum deposit 2 times the average monthly bill;
	Non-Residential – 2 and 1/2 times the estimated maximum bill.
	** Per Commission Rule A.A.C. R14-2-603(B).
	*** Per Commission Rules A.A.C. R14-2-603(D) – Months off the
	system times the monthly minimum.
	(a) Cost includes parts, labor overhead, and all applicable taxes,
	including income taxes. In addition to the collection of regular
	rates, the utility will collect from its customers a proportionate
	share of any privilege, sales, use and franchise tax. Per
	Commission Rule A.A.C. R14-2-608(D)(5).

Billing Adjustments:

Total monthly sewer and miscellaneous charges are subject to adjustment for all federal, state, and local government taxes, levies, and any assessments that may be imposed by federal or state regulatory agencies on sewer gross revenues.

If you have any questions regarding this Notice, please contact Coronado Utilities at 1-866-681-0148.

CORONADO UTILITIES, INC.
DOCKET NO. SW-04305A-09-0291

Alternative Rates for Wastewater Tariff

In Decision No. 71956, issued November 1, 2010, the Commission approved an Alternative Rates for Wastewater ("ARW") Tariff ("Low Income Tariff"), which is designed to provide relief to Coronado Utilities' lower income ratepayers. The Low Income Tariff applies to residential, single family accommodations and provides for a 15 percent discount applied to the regular tariffed rate for those customers who meet the program qualifications. Qualifying annual incomes are set at 150 percent of the 2009 federal poverty levels as follows:

<u>No. of Person in Household</u>	<u>Total Gross Annual Income</u>
1	\$16,245
2	21,855
3	27,465
4	33,075
5	38,685
6	44,295

For each additional person residing in the household, add \$5,610

Customers eligible for the ARW program must complete an Application and Declaration form, and supply proof of income. Customers enrolled in the ARW program are required to reapply every two (2) years, or sooner, if requested, and annually recertify by submitting a declaration attesting to continuing eligibility. The ARW program is limited to 400 customers. A waiting list will be available in the event the participation cap is met.

For more information, or to obtain a copy of the ARW program forms, please contact Coronado Utilities at 6825 E. Tennessee Avenue, Suite 547, Denver, Colorado 80224 or 1-866-681-0148.