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AZ CORP COMMISSION
DOCKET CONTROL

1 ARIZONA WATER COMPANY
2 Robert W. Geake (No. 009695)
3 Vice President and General Counsel
4 3805 N. Black Canyon Highway
5 Phoenix, Arizona 85012-5351
6 Telephone: (602) 240-6860

BEFORE THE ARIZONA CORPORATION COMMISSION

7 IN THE MATTER OF THE APPLICATION OF
8 ARIZONA WATER COMPANY, AN ARIZONA
9 CORPORATION, FOR A DETERMINATION OF
10 THE FAIR VALUE OF ITS UTILITY PLANT
11 AND PROPERTY, AND FOR ADJUSTMENTS
12 TO ITS RATES AND CHARGES FOR UTILITY
13 SERVICE AND FOR CERTAIN RELATED
14 APPROVALS BASED THEREON.

DOCKET NO. W-01445A-08-0440

**CERTIFICATE OF FILING
COMPLIANCE ITEM**

15 Decision No. 71845, entered by the Arizona Corporation Commission on August 24,
16 2010 directed Arizona Water Company (the "Company") to, among other things, file by
17 December 31, 2010 with Docket Control, as a compliance item in this docket, documentation
18 from the Arizona Department of Water Resources ("ADWR") indicating that the Company's
19 Superior and Oracle management plans are in compliance with ADWR requirements.

20 The Company is now filing Water Provider Compliance Status Reports for the
21 Superior and Oracle water systems as Attachments A and B hereto. For each category for
22 which ADWR completed its evaluations, the Superior and Oracle water systems have been
23 determined to be in compliance. The remaining requirements by ADWR, for which a
24 determination has not yet been completed, will be submitted to the Commission at the time
25 that ADWR issues each such report.

Arizona Corporation Commission
DOCKETED

DEC 29 2010

DOCKETED BY

1 RESPECTFULLY SUBMITTED this 29th day of December, 2010.

2
3 ARIZONA WATER COMPANY

4
5 By: 
6 Robert W. Geake
7 Vice President and General Counsel
8 ARIZONA WATER COMPANY
9 Post Office Box 29006
10 Phoenix, Arizona 85038-9006
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CERTIFICATE OF SERVICE

1 An original and thirteen (13) copies of the foregoing were delivered
2 this 29th day of December, 2010 to:

3 Docketing Supervisor
4 Docket Control Division
5 Arizona Corporation Commission
6 1200 West Washington Street
7 Phoenix, Arizona 85007

8 A copy of the foregoing was mailed this 29th day of December, 2010 to:

9 Dwight D. Nodes
10 Assistant Chief Administrative Law Judge
11 Hearing Division
12 Arizona Corporation Commission
13 1200 West Washington Street
14 Phoenix, Arizona 85007

15 Wesley C. Van Cleve, Attorney
16 Nancy L. Scott, Attorney
17 Legal Division
18 Arizona Corporation Commission
19 1200 West Washington Street
20 Phoenix, Arizona 85007

21 Michelle Wood, Attorney
22 Residential Utility Consumer Office
23 1110 West Washington Street, Suite 220
24 Phoenix, Arizona 85007

25 Nicholas J. Enoch
26 Jarrett J. Haskovec
Lubin & Enoch, PC
349 North Fourth Avenue
Phoenix, Arizona 85003
Attorneys for IBEW Local 387

Michelle Van Quatham
Ryley, Carlock & Applewhite
One North Central Avenue, Suite 1200
Phoenix, Arizona 85004
Attorneys for Abbott Laboratories

By: 

ATTACHMENT A

**Arizona Department of Water Resources
Water Provider Compliance Status Report**

Water System Name: ARIZONA WATER COMPANY – SUPERIOR

Water System ID #: ADWR #56-002002.0000; PWS #11-021

Compliance Status:

<i>Requirement</i>	<i>In compliance</i>	<i>Not in Compliance</i>	<i>Not yet determined</i>	<i>Not Applicable</i>
Annual water use reports within AMAs and INAs (if using non-exempt wells)	X			
Annual report for community water systems outside of AMAs				X
Annual assured or adequate water supply reports for designated providers				X (Undesignated provider)
Designation of assured or adequate water supply in good standing for designated providers				X
System water plan	X			
Management plan requirements within AMAs 1) Lost and unaccounted for water <10% of total use for large providers <15% of total use for small providers 2) Annual submittal of updated service area and distribution maps 3) NPCCP requirements are met 4) GPCD requirements are met 5) ACP requirements are met 6) MNPCCP requirements met 7) Individual user requirements are met	2, 6: X		1: X SEE COMMENT BELOW	3 – 5, 7: X
Well permit volumes within AMAs	X			
Type I and II grandfathered right limits within AMAs				X
Maintenance of accurate measuring devices within AMAs and INAs	X			

ATTACHMENT A

Groundwater transportation restrictions	X			
Approval of deliveries of groundwater to other providers within AMAs				X

Comments: The Department, due to significant operating budget and staff reductions in fiscal year 2011, has not yet evaluated the Conservation Requirements for Municipal Distribution Systems (lost and unaccounted for water percentage) as described in the Phoenix Active Management Area Third Management Plan ("TMP") (5-113) for calendar year 2009. Pending additional evaluation by the Department, a "not yet determined" status regarding TMP 5-113 requirements is appropriate at this time.

Arizona Water Company – Superior System ("AWC-Superior") and the Department have discussed TMP 5-113 requirements on several occasions in the past two years. AWC-Superior has presented information detailing increased measures to address TMP 5-113 concerns. AWC-Superior successfully enrolled the Superior System into the Modified Non-Per Capita Conservation Program ("MNPCCP") on August 24, 2009 and has implemented the Best Management Practices required by the program. In addition to their MNPCCP requirements AWC-Superior has implemented a leak detection program. This program required professional training for the Superior System employees in the use of digital leak detection loggers and correlation devices that locate potential leaks for repair and/or replacement. The Department and AWC-Superior will continue to monitor the status of the leak detection program.

If you have any questions please contact Andrew Craddock, ADWR Compliance Manager, at (602) 771-8615.

Completed by:

Program	<i>Reviewed</i>	<i>Not applicable</i>	Name	Phone	Date
AMA Office	X		Andrew Craddock	602-771-8615	11/5/10
Office of Assured & Adequate Water Supply		X	Rick Obenshain	602-771-8622	11/5/10
Community Water Planning	X		Susan Craig	602-771-8533	11/5/10

This compliance status report does not guarantee the water availability for this system, nor does it reflect the status of any other water system owned by this utility company.

ATTACHMENT B

**Arizona Department of Water Resources
Water Provider Compliance Status Report**

Water System Name: ARIZONA WATER COMPANY – ORACLE

Water System ID #: ADWR #56-000016.0000; PWS #11-019

Compliance Status:

<i>Requirement</i>	<i>In compliance</i>	<i>Not in Compliance</i>	<i>Not yet determined</i>	<i>Not Applicable</i>
Annual water use reports within AMAs and INAs (if using non-exempt wells)	X			
Annual report for community water systems outside of AMAs				X
Annual assured or adequate water supply reports for designated providers				X (Undesignated provider)
Designation of assured or adequate water supply in good standing for designated providers				X
System water plan	X			
Management plan requirements within AMAs 1) Lost and unaccounted for water <10% of total use for large providers <15% of total use for small providers 2) Annual submittal of updated service area and distribution maps 3) NPCCP requirements are met 4) GPCD requirements are met 5) ACP requirements are met 6) MNPCCP requirements met 7) Individual user requirements are met	2, 6:X		1: X SEE BELOW	3 – 5, 7: X
Well permit volumes within AMAs	X			
Type I and II grandfathered right limits within AMAs				X
Maintenance of accurate measuring devices within AMAs and INAs	X			

ATTACHMENT B

Groundwater transportation restrictions	X			
Approval of deliveries of groundwater to other providers within AMAs				X

Comments: The Department, due to significant operating budget and staff reductions in fiscal year 2011, has not yet evaluated the Conservation Requirements for Municipal Distribution Systems (lost and unaccounted for water percentage) as described in the Tucson Active Management Area Third Management Plan ("TMP") (5-113) for calendar year 2009. Pending additional evaluation by the Department, a "not yet determined" status regarding TMP 5-113 requirements is appropriate at this time.

Arizona Water Company – Oracle System ("AWC-Oracle") and the Department have discussed TMP 5-113 requirements on several occasions in the past two years. AWC-Oracle has presented information detailing increased measures to address TMP 5-113 concerns. AWC-Oracle successfully enrolled the Oracle System into the Modified Non-Per Capita Conservation Program ("MNPCCP") on August 24, 2009 and has implemented the Best Management Practices required by the program. In addition to their MNPCCP requirements AWC-Oracle has implemented a leak detection program. This program required professional training for the Oracle System employees in the use of digital leak detection loggers and correlation devices that locate potential leaks for repair and/or replacement. The Department and AWC-Oracle will continue to monitor the status of the leak detection program.

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