

ORIGINAL OPEN MEETING



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MEMORANDUM

Arizona Corporation Commission

DOCKETED

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AZ CORP COMMISSION
DOCKET CONTROL

TO: THE COMMISSION

FROM: Utilities Division

DATE: August 23, 2011

DOCKETED BY

RE: GLOBAL WATER - PALO VERDE UTILITIES COMPANY, VALENCIA WATER COMPANY - GREATER BUCKEYE DIVISION, WILLOW VALLEY WATER CO., GLOBAL WATER COMPANY - SANTA CRUZ WATER COMPANY, WATER UTILITY OF GREATER TONOPAH, AND VALENCIA WATER COMPANY - TOWN DIVISION - HYDRANT METER DEPOSIT CHARGE TARIFF (DOCKET NOS. SW-20445A-09-0077, W-02451A-09-0078, W-01732A-09-0079, W-20446A-09-0080, W-02450A-09-0081, AND W-01212A-09-0082)

Introduction

In Decision No. 71878, dated September 15, 2010, the Arizona Corporation Commission ("Commission"), ordered Global Water - Palo Verde Utilities Company, Global Water - Santa Cruz Water Company, Valencia Water Company - Town Division, Valencia Water Company - Greater Buckeye Division, Water Utility of Greater Tonopah and Willow Valley Water Co. (collectively, the "Global Utilities" or "Company") to file, within 60 days for review by Utilities Division Staff ("Staff") and Commission consideration of, a copy of its Hydrant Meter Deposit Charge Tariffs. Pursuant to that order, the Company filed its proposed tariff on November 15, 2010. A revised tariff was filed on June 13, 2011.

Staff's Review

The tariff's stated purpose is to detail the deposit requirements for Hydrant Meters and Backflow Prevention Assemblies.

With the Company's requirement that hydrant meters be installed to include backflow prevention and automated reading devices, the deposit will protect the Company against loss, theft, or damage of this equipment.

The Company's proposed tariff filed on November 15, 2010, included language stating "The Applicant for a Hydrant Meter must, at the time of request, pay the Utility a refundable deposit of \$1750." Language in the proposed revised tariff filed on June 13, 2011, modified the \$1,750 refundable deposit fee to read "equivalent to the Hydrant Meter cost."

The Company will provide a deposit receipt and note the deposit amount on the Applicant's account record.

The deposit will bear interest at the customer deposit rate specified in the Company's current rate schedule and will be returned to the Applicant, with any accrued interest (less any repair costs) within 45 days of the return of the Hydrant Meter.

Upon installation of the Hydrant Meter, the Company will provide written certification to the Applicant that the Hydrant Meter is fully functional and ready for use.

Upon the Company's removal of the Hydrant Meter, the assembly will be inspected for any damage and the Applicant will be informed in writing of the cost of any repairs. Any repair costs will be deducted from the deposit amount.

It is the Applicant's responsibility to inform the Company when the Hydrant Meter is to be removed. If the Applicant does not request removal of the Hydrant Meter, the Applicant forfeits the deposit.

Staff's Recommendations

The Company's proposed revised tariff defines the Hydrant Meters as "large expensive pieces of equipment and include certified backflow prevention and automated meter reading devices". To avoid confusion and remain consistent with the Hydrant Meter definition, Staff recommends that the language "Hydrant/Backflow assembly" be changed to read Hydrant Meter, as this includes the backflow and meter reading devices.

The proposed revised tariff states "On return of the Hydrant/Backflow assembly, the Utility will inspect the unit for any damage and inform the Applicant in writing of the cost of repairs (if any)". For clarification Staff recommends the language read "Upon the Company's removal of the Hydrant Meter, the assembly will be inspected for any damage and the Applicant will be informed in writing of the cost of repairs (if any)." The cost of repairs will be deducted from the deposit amount.

Staff recommends the Hydrant Meter refundable deposit be \$1,750.

Staff recommends the Company file with Docket Control, as a compliance item in this matter, a revised tariff including the recommended language as stated above. (See Exhibit A.)

THE COMMISSION

August 23, 2011

Page 3

Staff further recommends the Commission approve Global Utilities Hydrant Meter Deposit Charge Tariff, with the recommended revised language, become effective on October 1, 2011.



Steven M. Olea
Director
Utilities Division

SMO:TM:lh\WVC

Originator: Trish Meeter

Exhibit A

Hydrant Meter Deposit Charge Tariff

Applicable to:

- Global Water – Santa Cruz Water Company
- Valencia Water Company – Town Division
- Valencia Water Company – Greater Buckeye Division
- Water Utility of Greater Tonopah
- Willow Valley Water Company

References to Utility means one of the utilities listed above.

Purpose:

The purpose of this tariff is to detail the deposit requirements for Hydrant Meters and Backflow Prevention Assemblies. Hydrant Meters are large expensive pieces of equipment and include certified back flow prevention and automated meter reading devices. Utility requires that hydrant meters be installed and/or moved by Utility-authorized personnel and that the meter is locked to the hydrant supplying service. The deposit will protect the Utility against loss, theft, or damage of this equipment.

Tariff:

The Applicant for a Hydrant Meter must, at the time of request, pay to the Utility a refundable deposit of \$1750.

Utility will provide a deposit receipt and note the deposit amount on the Applicant's account record.

The deposit will bear interest at the customer deposit rate specified in Utility's current rate schedule.

The deposit will be returned to the Applicant with any accrued interest, less any repair costs within 45 days of the return of the Hydrant Meter.

Upon installation of the Hydrant Meter, Utility will provide written certification to the Applicant that the Hydrant Meter is fully functional and ready to use.

Upon Utility's removal of the Hydrant Meter, the assembly will be inspected for any damage and the Applicant will be informed in writing of the cost of any repairs. Any repair costs will be deducted from the deposit amount.

It is the Applicant's responsibility to inform Utility when the Hydrant Meter is to be removed. If the Applicant does not request removal of the Hydrant Meter, the Applicant forfeits the deposit.

1 IN THE MATTER OF THE APPLICATION)
 2 OF GLOBAL WATER – SANTA CRUZ)
 3 WATER COMPANY FOR THE)
 4 ESTABLISHMENT OF JUST AND)
 5 REASONABLE RATES AND CHARGES)
 6 FOR UTILITY SERVICE DESIGNED TO)
 7 REALIZE A REASONABLE RATE OF)
 8 RETURN ON THE FAIR VALUE OF ITS)
 9 PROPERTY THROUGHOUT THE STATE)
 10 OF ARIZONA)

DOCKET NO. W-20446A-09-0080

7 IN THE MATTER OF THE APPLICATION)
 8 OF WATER UTILITY OF GREATER)
 9 TONOPAH FOR THE ESTABLISHMENT)
 10 OF JUST AND REASONABLE RATES AND)
 11 CHARGES FOR UTILITY SERVICE)
 12 DESIGNED TO REALIZE A REASONABLE)
 13 RATE OF RETURN ON THE FAIR VALUE)
 14 OF ITS PROPERTY THROUGHOUT THE)
 15 STATE OF ARIZONA)

DOCKET NO. W-02450A-09-0081

12 IN THE MATTER OF THE APPLICATION)
 13 OF VALENCIA WATER COMPANY –)
 14 TOWN DIVISION FOR THE)
 15 ESTABLISHMENT OF JUST AND)
 16 REASONABLE RATES AND CHARGES)
 17 FOR UTILITY SERVICE DESIGNED TO)
 18 REALIZE A REASONABLE RATE OF)
 19 RETURN ON THE FAIR VALUE OF ITS)
 20 PROPERTY THROUGHOUT THE STATE)
 21 OF ARIZONA)

DOCKET NO. W-01212A-09-0082

DECISION NO. _____

ORDER

19 Open Meeting
 20 September 6 and 7, 2011
 21 Phoenix, Arizona

21 BY THE COMMISSION:

22 In Decision No. 71878, dated September 15, 2010, the Arizona Corporation Commission
 23 (“Commission”), ordered that Global Water – Palo Verde Utilities Company, Global Water –
 24 Santa Cruz Water Company, Valencia Water Company – Town Division, Valencia Water
 25 Company – Greater Buckeye Division, Water Utility of Greater Tonopah and Willow Valley
 26 Water Co. (collectively, the “Global Utilities” or “Company”) to file, within 60 days for review
 27 by Utilities Division Staff (“Staff”) and Commission consideration of, a copy
 28 ...

Decision No. _____

1 of its Hydrant Meter Deposit Charge Tariffs. Pursuant to that order, the Company filed its
2 proposed tariff on November 15, 2010. A revised tariff was filed on June 13, 2011. Staff filed its
3 recommendations and proposed order on August 9, 2011.

4 * * * * *

5 Having considered the entire record herein and being fully advised in the premises, the
6 Commission finds, concludes, and orders that:

7 FINDINGS OF FACT

8 1. The purpose of the tariff is to detail the deposit requirements for the Hydrant Meters
9 and Backflow Prevention Assemblies. Global Utilities requires that hydrant meters be installed to
10 include backflow prevention and automatic reading devices. The deposit will protect the Company
11 against loss, theft or damage of this equipment.

12 2. The Company's proposed tariff filed on November 15, 2010, included language
13 stating "The Applicant for a Hydrant Meter must, at the time of request, pay the Utility a
14 refundable deposit of \$1750." Language in the proposed revised tariff filed on June 13, 2011,
15 modified the \$1,750 refundable deposit fee to read "equivalent to the Hydrant Meter cost."

16 3. The Company will provide a deposit receipt and note the deposit amount on the
17 Applicant's account record.

18 4. The deposit will bear interest at the customer deposit rate specified in the
19 Company's current rate schedule and will be returned to the Applicant, with any accrued interest
20 (less any repair costs) within 45 days of the return of the Hydrant Meter.

21 5. Upon installation of the Hydrant Meter, the Company will provide written
22 certification to the Applicant that the Hydrant Meter is fully functional and ready to use.

23 6. Upon the Company's removal of the Hydrant Meter, the assembly will be inspected
24 for any damage and the Applicant will be informed in writing of the cost of any repairs. Any repair
25 costs may be deducted from the deposit amount.

26 7. It is the Applicant's responsibility to inform the Company when the Hydrant Meter
27 is to be removed. If the Applicant does not request removal of the Hydrant Meter, the Applicant
28 forfeits the deposit.

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IT IS FURTHER ORDERED that Global Water – Palo Verde Utilities Company, Global Water – Santa Cruz Water Company, Valencia Water Company – Town Division, Valencia Water Company – Greater Buckeye Division, Water Utility of Greater Tonopah and Willow Valley Water Co. shall file with Docket Control, as a compliance matter, a tariff consistent with the attached Exhibit A tariff, to be effective October 1, 2011.

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 _____ day of _____, 2011.

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:TM:lh\WVC

1 SERVICE LIST FOR: Global Water – Palo Verde Utilities Company, Valencia Water Company –
2 Greater Buckeye Division, Willow Valley Water Co., Global Water
3 Company – Santa Cruz Water Company, Water Utility of Greater Tonopah,
and Valencia Water Company – Town Division

4 DOCKET NOS. SW-20445A-09-0077, W-02451A-09-0078, W-01732A-09-0079, W-20446A-09-
5 0080, W-02450A-09-0081, AND W-01212A-09-0082

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Exhibit A

Hydrant Meter Deposit Charge Tariff

Applicable to:

- Global Water – Santa Cruz Water Company
- Valencia Water Company – Town Division
- Valencia Water Company – Greater Buckeye Division
- Water Utility of Greater Tonopah
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