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6 Attorneys for Bermuda Water Company, Inc.

BEFORE THE ARIZONA CORPORATION COMMISSION

7  
8 IN THE MATTER OF THE  
9 APPLICATION OF BERMUDA WATER  
10 COMPANY, AN ARIZONA  
11 CORPORATION, FOR A  
12 DETERMINATION OF THE FAIR  
13 VALUE OF ITS UTILITY PLANTS AND  
14 PROPERTY AND FOR INCREASES IN  
15 ITS WATER RATES AND CHARGES  
16 FOR UTILITY SERVICE BASED  
17 THEREON.

DOCKET NO: W-01812A-10-0521

NOTICE OF COMPLIANCE

14 Pursuant to Decision No. 72892 (February 17, 2012) Bermuda Water Company  
15 (the "Company") files this Notice of Compliance in the above-captioned matter. Attached  
16 as **Exhibit A** are the Company's seven approved Best Management Practices Tariffs.

17 RESPECTFULLY SUBMITTED this 19th day of March, 2012.

18 FENNEMORE CRAIG, P.C.

19  
20 By

Patrick J. Black  
3003 North Central Avenue  
Suite 2600  
Phoenix, Arizona 85012  
Attorneys for Bermuda Water Company,  
Inc.

21 Arizona Corporation Commission

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23 MAR 19 2012

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1 ORIGINAL and thirteen (13) copies of the  
2 foregoing, were filed  
3 this 19th day of March, 2012, to:

4 Docket Control  
5 Arizona Corporation Commission  
6 1200 W. Washington St.  
7 Phoenix, AZ 85007

8 COPY hand-delivered  
9 this 19th day of March, 2012 to:

10 Bridget Humphrey  
11 Legal Division  
12 Arizona Corporation Commission  
13 1200 W. Washington St.  
14 Phoenix, AZ 85007

15 Carmel Hood, Compliance  
16 Utilities Division  
17 Arizona Corporation Commission  
18 1200 W. Washington St.  
19 Phoenix, AZ 85007

20 COPY mailed  
21 this 19th day of March, 2012 to:

22 Daniel Pozefsky  
23 RUCO  
24 1110 West Washington, Suite 220  
25 Phoenix, Arizona 85007

26 By: Sandra Baker

6859183.1/029232.0001

# EXHIBIT

A

Bermuda Water Company, Inc.		Revised	SHEET NO.	1
W-01812A-10-0521				

**Public Education Program Tariff**

**PURPOSE**

A program for Bermuda Water Company, Inc. to provide free written information on water conservation measures to its customers and to remind them of the importance of conserving water (Required Public Education Program).

**REQUIREMENTS**

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted 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 provide two newsletters to each customer; one to be provided in the spring, the other in the fall. The goal of the letters is to provide timely information to customers in preparation of the hot summer months, and the cold winter months, in regards to their water uses. The Company shall remind customers of the importance of water conservation measures and inform them of the information available from the Company.
2. Information in the newsletters shall include water saving tips, home preparation recommendations for water systems/pipes, landscape maintenance issues for summer and winter, water cistern maintenance reminders and additional pertinent topics. Where practical, the Company shall make this information available in digital format which can be e-mailed to customers upon request or posted on the Company's website.
3. Communication channels shall include one or more of the following: water bill inserts, messages on water bills, Company web page, post cards, e-mails and special mailings of print pieces, whichever is the most cost-effective and appropriate for the subject at hand.
4. Free written water conservation materials shall be available in the Company's business office and the Company shall send information to customers on request.
5. The Company may distribute water conservation information at other locations such as libraries, chambers of commerce, community events, etc., as well.
6. The Company shall keep a record of the following information and make it available to the Commission upon request.
  - a. A description of each communication channel (i.e., the way messages will be provided) and the number of times it has been used.
  - b. The number of customers reached (or an estimate).
  - c. A description of the written water conservation material provided free to customers.

ISSUED:		EFFECTIVE:
	ISSUED BY: Kirsten Markwell	
	c/o Bermuda Water Company 2335 Sanders Road Northbrook, Illinois 60062	
	Decision No. 72892 (February 17, 2012)	

Bermuda Water Company, Inc.		Revised	SHEET NO	2
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**Youth Conservation Education Program Tariff – BMP 2.2**

**PURPOSE**

This would be a program for Bermuda Water 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 adapted 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 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 materials, classroom presentations, and field trips to water related facilities.
3. The Company shall provide the following teacher resources:
  - a. Provide free resource materials and information upon request.
  - b. 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.

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**Residential Audit Program Tariff — BMP 3.1**

**PURPOSE**

A program for Bermuda Water Company, Inc. to promote water conservation by providing customers with information on performing water audits to determine conservation opportunities at their residence (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.1: Residential Audit Program).

**REQUIREMENTS**

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted 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 offer self-audit information.
2. The Company or designated representative shall provide all customers that request them with a self-audit kit.
3. The kit shall include detailed instructions and tools for completing the water audit including information on how to check their water meter. The audit kit shall include but not be limited to information on checking the following components: irrigation system, pool, water features, toilets, faucets and shower.
4. If requested, the Company shall assist the customer in a self-water audit and assist the customer in determining what might be causing high water usage as well as supply customer with information regarding water conservation and landscape watering guidelines. As part of the water audit, and if requested to do so by the customer, the Company shall confirm the accuracy of the customer meter (applicable meter testing fees shall apply).
5. The Company shall keep a record of the following information and make it available upon request.
  - a. A description of the water conservation material provided in the kit.
  - b. The number of kits provided to customers.
  - c. Implementation costs of the Residential Audit Program.

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

**PURPOSE**

A program for Bermuda Water Company, Inc. to assist its customers with their high water-use inquiries and 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 adapted 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 handle high water use inquiries as calls are received.
2. Calls shall be taken by a customer service representative who has been trained on typical causes of high water consumption as well as leak detection procedures that customers can perform themselves.
3. Upon request by the customer or when the Company determines it is warranted, a trained Field Technician shall be sent to the customer's residence to conduct a leak detection inspection and further assist the customer with water conservation measures.
4. The Company shall follow up in some way on every customer inquiry or complaint and keep a record of inquiries and follow-up activities.

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Bermuda Water Company, Inc.		Revised	SHEET NO	5
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**Water System Tampering Tariff – BMP 5.2**

**PURPOSE**

The purpose of this tariff is to promote the conservation of groundwater by enabling the Company to bring an action for damages or to enjoin any activity against a person who tampers with the water system.

**REQUIREMENTS**

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically Arizona Administrative Code ("AAC") R14-2-410 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. In support of the Company's water conservation goals, the Company may bring an action for damages or to enjoin any activity against a person who: (1) makes a connection or reconnection with property owned or used by the Company to provide utility service without the Company's authorization or consent; (2) prevents a Company meter or other device used to determine the charge for utility services from accurately performing its measuring function; (3) tampers with property owned or used by the Company; or (4) uses or receives the Company's services without the authorization or consent of the Company and knows or has reason to know of the unlawful diversion, tampering or connection. If the Company's action is successful, the Company may recover as damages three times the amount of actual damages.
2. Compliance with the provisions of this tariff will be a condition of service.
3. The Company shall provide to all its customers, upon request, a complete copy of this tariff and AAC R14-2-410. The customers shall follow and abide by this tariff.
4. If a customer is connected to the Company water system and the Company discovers that the customer has taken any of the actions listed in No. 1 above, the Company may terminate service per AAC R14-2-410.
5. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

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**Landscape Watering Restrictions Tariff – BMP 5.8**

**PURPOSE**

A program for Bermuda Water Company, Inc. to restrict water use within its service area by limiting or reducing water used for landscape purposes (Modified Non-Per Capita Conservation Program BMP Category 5: Ordinances/Conditions of Service/Tariffs 5.8: Landscape Watering Restrictions).

**REQUIREMENTS**

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically Arizona Administrative Code (“AAC”) R14-2-403 and R14-2-410 and were adapted 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's service area is within portions of the City of Bullhead City and unincorporated areas of Mohave County. Various City/County Codes and/or Ordinances may apply depending on the location of the customer. In order for a customer to receive water service from the Company on or after the effective date of this tariff the customer must comply with the various City/County Codes and/or Ordinances that apply.
2. In the event the Company implements its Commission approved Curtailment Plan Tariff ("CPT"), the customers will be informed of the CPT's Curtailment Stage and asked to lower consumption in order to comply with the landscape watering restrictions listed in the CPT for the appropriate curtailment stage in effect at the time.
3. Compliance with the provisions of this BMP tariff will be a condition of service.
4. The Company shall provide to its customers a complete copy of this BMP tariff and all attachments upon request for service. The customer shall follow and abide by these landscape watering restrictions.
5. If after a customer has been connected to the Company water system, the Company discovers that the customer is in violation of the landscape watering restrictions contrary to the above requirements, the Company shall notify (in writing) the customer of such violation and provide the customer with the appropriate educational materials informing the customer of some possibilities of how to correct the problem. The customer shall be allowed sixty (60) days to come into compliance with the above requirements. If after sixty (60) days the customer is not in compliance with the above requirements, the customer's service may be terminated per AAC R14-2-410C, R14-2-410D and R14-2-410E.

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6. Customer notice requirements and disconnection of service restrictions listed in the CPT shall apply for customer noncompliance with CPT Stage 4 landscape watering restrictions.

7. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

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Bermuda Water Company, Inc.		Revised	SHEET NO	7
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**Water Use Plan For New Non-Residential Users Tariff — BMP 5.13**

**PURPOSE**

A program for Bermuda Water Company, Inc. to require all new commercial, industrial, and institutional users who have annual projected water use of ten acre-feet or more per year to submit a water use plan that identifies all water uses anticipated by the user, and the water efficiency measures associated with the uses (Modified Non-Per Capita Conservation Program BMP Category 5: Ordinances/Conditions of Service/Tariffs 5.13: Requiring a Water Use Plan).

**REQUIREMENTS**

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically Arizona Administrative Code (“AAC”) R14-2-403 and R14-2-410 and were adapted from the Arizona Department of Water Resources’ Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. Subject to the provisions of this tariff, as a condition of service all new commercial, industrial and institutional users with a projected annual water use requirement of five acre-feet (1,629,250 gallons) or more per year, will be required to submit a water use plan which identifies all water uses anticipated by the user and the water efficiency measures associated with the uses.
2. The water use plan submitted by users must include at least three of the following measures:
  - a. Statement of water efficiency policy,
  - b. Water Conservation education/training for employees,
  - c. Identification of on-site recycling and re-use strategies,
  - d. Total cooling capacity and operating Total Dissolved Solids or conductivity for cooling towers,
  - e. Identification of best available technologies used for process, cooling and domestic water uses,
  - f. Landscape watering system distribution uniformity and landscape water budget, and/or
  - g. Total annual water budget for the facility.
3. The Company shall provide to all new commercial, industrial, and institutional customers a complete copy of this tariff and all attachments upon request for service. The customer shall follow and abide by this tariff.
4. If after a customer has been connected to the Company water system, the Company discovers that the customer has, for example, installed turf or water-use intensive features contrary to its water use plan, the Company shall notify (in writing) the customer of such violation and provide the

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customer with the appropriate educational materials informing the customer of some possibilities of how to correct the problem. The customer shall be allowed sixty (60) days to come into compliance with his or her plan requirements. If after sixty (60) days the customer is not in compliance with his or her plan requirements, the customer's service may be terminated per AAC R14-2-410C, R14-2-410D and R14-2- 410E.

5. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

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