

ORIGINAL

OPEN MEETING
MEMORANDUM



0000137119

TO: THE COMMISSION

FROM: Utilities Division

DATE: June 1, 2012

RE: ARIZONA – AMERICAN WATER COMPANY’S APPLICATION REGARDING NOTICE OF ITS TARIFF GOVERNING THE SHARING OF CUSTOMER WATER CONSUMPTION INFORMATION WITH MUNICIPAL PROVIDERS OF WASTEWATER SERVICE (DOCKET NO. W-01303A-12-0082)

On March 1, 2012, Arizona-American Water Company (“Company”)¹ submitted to the Arizona Corporation Commission (“Commission”) a notice of filing tariffs governing the sharing of customer water consumption information with non-affiliated entities.

The Company has entered into two separate agreements with the City of Peoria and Lake Havasu City, Arizona, municipal corporations duly organized and existing under the laws of the State of Arizona. These municipal providers have requested that the Company share information regarding customer water consumption in order to assist the municipal providers in billing for wastewater utility service to its customers.

This filing complies with Condition 9 of Commission Decision No. 65453 (December 12, 2002), which requires the Company to file a tariff governing the sharing of customer information.

On August 28, 2003, the Company submitted notice of filing a tariff governing the sharing of customer water consumption information with non-affiliated entities and attached a copy of the tariff and a “boilerplate” version of the agreement between the Company and a municipal wastewater service provider. Commission Decision No. 66387 (October 6, 2003), approved this filing with additional language added to the tariff.

In an effort to remain consistent with Commission Decision No. 66387, Staff recommends that the Company utilize the tariff and Agreement attached hereto for the City of Peoria and Lake Havasu City.

Steven M. Olea
Director
Utilities Division

Arizona Corporation Commission

DOCKETED

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AZ CORP COMMISSION
DOCKET CONTROL
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DOCKETED BY

ORIGINATOR: Guadalupe Ortiz

RECEIVED

¹ On February 1, 2012, Arizona-American Water Company was acquired by EPCOR Water (USA). The acquisitions was approved by Commission Decision No. 72668 (November 17, 2011) Both Arizona-American Water Company and EPCOR Water (USA) will be referred to as “Company”

AGREEMENT TO SHARE INFORMATION
REGARDING WATER CONSUMPTION
WITH THE CITY OF PEORIA

This AGREEMENT is made this _____ day of ____, 2012, by and between ARIZONA-AMERICAN WATER COMPANY, an Arizona corporation (“Arizona-American”) and THE CITY OF PEORIA, an Arizona municipal corporation duly organized and existing under the laws of the State of Arizona (“City”) for the purposes and considerations set forth hereinafter.

WITNESSETH:

WHEREAS, Arizona-American provides water utility service to certain residents of the City under a Certificate of Convenience and Necessity (“CC&N”) issued by the Arizona Corporation Commission and City provides wastewater utility service to certain residents of the City;

WHEREAS, City has requested that Arizona-American provide information to City regarding customer water consumption in order to assist City in billing for wastewater utility services to its customers; and

WHEREAS, Arizona-American and City desire to enter into a written agreement specifically setting forth the duties, obligations, responsibilities, and liabilities of each party to the other.

NOW, THEREFORE, WITNESSETH that Arizona-American and City do hereby agree as follows:

1. Customer Information. Arizona-American agrees to provide water consumption information for its customers to City for City’s use in billing for wastewater services. In order for Arizona-American to provide this service, the City will submit to Arizona-American a map

or legal description of its wastewater service area and Arizona-American will provide consumption data for all of its customers within the City's wastewater service area to City. City agrees that it is only authorized to use such water consumption information for purposes of wastewater services billing and is not authorized to disclose such information to any other party except as may be required by law. Such information will be provided by Arizona-American to City on a monthly basis, or other mutually agreed upon time interval, as such information becomes available to Arizona-American in the ordinary course of its business. The format of the data shall be as mutually agreed to between the City and Arizona-American.

2. Fees. City will pay Arizona-American an administrative fee of \$0.50 per customer for consumption information provided to City under the terms outlined in Paragraph 1 above. Arizona-American will account for the applicable and reasonable costs incurred for the required notice and tariff and within 30 days after the Commission's tariff proceeding is concluded, Arizona-American will bill the City for the total costs incurred by Arizona-American for the required notice or tariff, as the case may be, and the City shall process invoices and pay Arizona-American promptly in accordance with the City's customary business practices without unreasonable delay.

3. Indemnification. City will indemnify, defend, and hold harmless Arizona-American from and against all claims, losses, liability, costs, or expenses, including reasonable attorneys' fees (collectively, "claims"), arising out of City's use of the customer consumption information provided to City by Arizona-American hereunder.

4. Term. The term of this Agreement will remain in effect indefinitely unless either party serves upon the other party a written notice to terminate the Agreement. The written notice must be serviced upon the other party not less than sixty (60) days prior to the requested

expiration date of the Agreement. This Agreement will be in full force and effect immediately upon execution by the parties hereto and will continue until terminated in accordance with the provisions herein set forth.

5. Arizona Corporation Commission Regulation. City acknowledges that Arizona-American, as a public service corporation as such term is defined in the Arizona Constitution and as such the terms of this Agreement must be subject to any applicable Arizona Corporation Commission (“Commission”) rules, regulations, and orders, including, but not limited to, Decision No. 65453 (Dec. 12, 2002) (the “Decision”), pursuant to which Arizona-American is required to submit notice to the Commission at last 180 days in advance of any sharing of customer information, including billing information and which Decision further requires Arizona-American to file a tariff with the Commission setting forth appropriate customer notification procedures to inform customers of the information sharing arrangements. The parties further acknowledge that, upon the submission by Arizona-American pursuant to the Decision, the Commission may stay effectiveness of any such tariff until such time as the Commission issues a written order approving any agreement to share customer information and therefore the parties further acknowledge that any such agreement will not be enforceable until such approval by the Commission is issued.

6. Limitations on Liability. Neither the City nor Arizona-American will be liable for any loss or damage due to failure or delay in rendering any service or performing any obligation required under this Agreement resulting from any cause beyond their reasonable control including, but not limited to: acts of God, acts or omissions of civil or military authority; acts or omissions of contractors or suppliers; fires; floods; epidemics; quarantine restrictions; severe

10. Other Miscellaneous Provisions. This Agreement contains the entire agreement between parties hereto with respect to the transactions contemplated herein. This Agreement supersedes all previous written and verbal agreements on the subject of this Agreement and will not be amended or modified except in writing signed by all of the parties hereto. This Agreement will be binding upon and inure to the benefit of all parties hereto and their respective successors and assigns. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition of unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. This Agreement may be executed to one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto on the date first written above.

“CITY”

ARIZONA-AMERICAN

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

AGREEMENT TO SHARE INFORMATION
REGARDING WATER CONSUMPTION
WITH LAKE HAVASU CITY

This AGREEMENT is made this _____ day of _____, 2012, by and between ARIZONA-AMERICAN WATER COMPANY, an Arizona corporation (“Arizona-American”) and Lake Havasu City, an Arizona municipal corporation duly organized and existing under the laws of the State of Arizona (“the City”) for the purposes and considerations set forth hereinafter.

WITNESSETH:

WHEREAS, Arizona-American provides water utility service to certain residents of the City under a Certificate of Convenience and Necessity (“CC&N”) issued by the Arizona Corporation Commission and City provides wastewater utility service to certain residents of the City;

WHEREAS, the City has requested that Arizona-American provide information to the City regarding customer water consumption in order to assist the City in billing for wastewater utility services to its customers; and

WHEREAS, Arizona-American and the City desire to enter into a written agreement specifically setting forth the duties, obligations, responsibilities, and liabilities of each party to the other.

NOW, THEREFORE, WITNESSETH that Arizona-American and the City do hereby agree as follows:

1. Customer Information. Arizona-American agrees to provide water consumption information for its customers to the City for the City’s use in billing for wastewater services. In order for Arizona-American to provide this service, the City will submit to Arizona-American a map or legal description of its wastewater service area and Arizona-American will provide

consumption data for all of its customers within the City's wastewater service area to the City. The City agrees that it is only authorized to use such water consumption information for purposes of wastewater services billing and is not authorized to disclose such information to any other party except as may be required by law. Such information will be provided by Arizona-American to the City on a monthly basis, or other mutually agreed upon time interval, as such information becomes available to Arizona-American in the ordinary course of its business. The format of the data shall be as mutually agreed to between the City and Arizona-American.

2. Fees. The City will pay Arizona-American an administrative fee of \$0.50 per customer for consumption information provided to the City under the terms outlined in Paragraph 1 above. Arizona-American will account for the applicable and reasonable costs incurred for the required notice and tariff and within 30 days after the Arizona Corporation Commission's tariff proceeding is concluded, Arizona-American will invoice the City for the total costs incurred by Arizona-American for the required notice and tariff, as the case may be, and the City shall pay such billed amount within 30 days after its receipt of Arizona-American's invoice.

3. Indemnification. The City will indemnify, defend, and hold harmless Arizona-American from and against all claims, losses, liability, costs, or expenses, including reasonable attorneys' fees (collectively, "claims"), arising out of the City's use of the customer consumption information provided to the City by Arizona-American hereunder.

4. Term. The term of this Agreement will remain in effect indefinitely unless either party serves upon the other party a written notice to terminate the Agreement. The written notice must be serviced upon the other party not less than ninety (90) days prior to the expiration of the Agreement. This Agreement will be in full force and effect immediately upon execution by the

parties hereto and will continue until terminated in accordance with the provisions herein set forth.

5. Arizona Corporation Commission Regulation. The City acknowledges that Arizona-American, as a public service corporation as such term is defined in the Arizona Constitution and as such the terms of this Agreement must be subject to any applicable Arizona Corporation Commission (“Commission”) rules, regulations, and orders, including, but not limited to, Decision No. 65453 (Dec. 12, 2002) (the “Decision”), pursuant to which Arizona-American is required to submit notice to the Commission at last 180 days in advance of any sharing of customer information, including billing information and which Decision further requires Arizona-American to file a tariff with the Commission setting forth appropriate customer notification procedures to inform customers of the information sharing arrangements. The parties further acknowledge that, upon the submission by Arizona-American pursuant to the Decision, the Commission may stay effectiveness of any such tariff until such time as the Commission issues a written order approving any agreement to share customer information and therefore the parties further acknowledge that any such agreement will not be enforceable until such approval by the Commission is issued.

6. Limitations on Liability. Neither the City nor Arizona-American will be liable for any loss or damage due to failure or delay in rendering any service or performing any obligation required under this Agreement resulting from any cause beyond their reasonable control including, but not limited to: acts of God, acts or omissions of civil or military authority; acts or omissions of contractors or suppliers; fires; floods; epidemics; quarantine restrictions; severe weather; strikes; embargoes; wars; political strife; riots; delays in transportation; or fuel, power, materials or labor shortages.

not be amended or modified except in writing signed by all of the parties hereto. This Agreement will be binding upon and inure to the benefit of all parties hereto and their respective successors and assigns. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition of unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. This Agreement may be executed to one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto on the date first written above.

“THE CITY”

ARIZONA-AMERICAN

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

		Revised	SHEET NO.	
Arizona-American Water Company		Revised	SHEET NO.	
(Name of Company)	<u>ALL</u>			
	(Havasu Water District)			

TARIFF

CUSTOMER WATER CONSUMPTION INFORMATION SHARING
WITH LAKE HAVASU CITY, WASTEWATER PROVIDER

EPCOR Water (USA) ("EPCOR Water" or "Company") is authorized to share water consumption information of individual customers with Lake Havasu City ("the City"), a municipal provider of wastewater service for common customers purchasing water from Arizona-American and wastewater from the City. The purpose of this Tariff, and the authorized provision of customer water consumption information, is to assist the City in billing for wastewater utility service. The City agrees that it is only authorized to use such water consumption information for purposes of wastewater services billing and is not authorized to disclose such information to any other party except as may be required by law.

EPCOR Water shall enter into an agreement with the City before providing individual water consumption data, in the form materially similar to the standard form agreement attached hereto. Any such agreement shall be subject to Arizona Corporation Commission ("Commission") review as set forth in Section 4 of the standard form agreement.

Arizona-American shall notify all water utility customers affected by the agreement between the Company and the City pursuant to this Tariff, by means of a billing insert during the first billing cycle immediately after said agreement is signed.

ISSUED:	<u>00/00/2012</u>		EFFECTIVE:	<u>00/00/2012</u>
	Month Day Year			Month Day Year
		ISSUED BY: Tom Broderick Director Rates		
		<u>2355 W. Pinnacle Peak Rd., Phoenix, AZ</u> <u>85027</u>		
		Decision No.		

		Revised	SHEET NO.	
Arizona-American Water Company		Revised	SHEET NO.	
(Name of Company)	<u>ALL</u>			
	(Sun City Water District)			

TARIFF

**CUSTOMER WATER CONSUMPTION INFORMATION SHARING
WITH THE CITY OF PEORIA, WASTEWATER PROVIDER**

EPCOR Water (USA) ("EPCOR Water" or "Company") entered into an agreement with the City to provide individual water consumption data, in the form attached hereto. Any such agreement shall be subject to Arizona Corporation Commission review as set forth in Section 4 of the standard form agreement.

EPCOR Water is authorized to share water consumption information of individual customers with the City of Peoria ("City"), a municipal provider of wastewater service for common customers purchasing water from Arizona-American and wastewater from the City. The purpose of this Tariff, and the authorized provision of customer water consumption information, is to assist the City in billing for wastewater utility service. City agrees that it is only authorized to use such water consumption information for purposes of wastewater services billing and is not authorized to disclose such information to any other party except as may be required by law.

Arizona-American shall notify all water utility customers affected by the agreement between the Company and the City pursuant to this Tariff, by means of a billing insert during the first billing cycle immediately after said agreement is signed.

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		2355 W. Pinnacle Peak Rd., Phoenix, AZ 85027		
		Decision No.		

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BEFORE THE ARIZONA CORPORATION COMMISSION

- GARY PIERCE
Chairman
- BOB STUMP
Commissioner
- SANDRA D. KENNEDY
Commissioner
- PAUL NEWMAN
Commissioner
- BRENDA BURNS
Commissioner

IN THE MATTER OF THE APPLICATION)
 OF ARIZONA-AMERICAN WATER)
 COMPANY REGARDING NOTICE OF ITS)
 TARIFF GOVERNING THE SHARING OF)
 CUSTOMER WATER CONSUMPTION)
 INFORMATION WITH MUNICIPAL)
 PROVIDERS OF WASTEWATER SERVICE)

DOCKET NO. W-01303A-12-0082
 DECISION NO. _____
ORDER

Open Meeting
 June 19 and 20, 2012
 Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Arizona-American Water Company¹ ("Company") is certificated to provide water service as a public service corporation in the State of Arizona. Arizona-American provides water utility service to residents within the State of Arizona pursuant to multiple Certificates of Convenience and Necessity issued by the Arizona Corporation Commission ("Commission").
2. On March 1, 2012, the Company submitted to the Commission a notice of filing tariffs governing the sharing of customer water consumption information with non-affiliated entities.

...

¹ On February 1, 2012, Arizona-American Water Company was acquired by EPCOR Water (USA). The acquisition was approved by Commission Decision No. 72668 (November 17, 2011) Both Arizona-American Water Company and EPCOR Water (USA) will be referred to as "Company".

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ORDER

IT IS THEREFORE ORDERED that the tariffs for EPCOR Water (USA) to share customer information with the City of Peoria and Lake Havasu City are hereby approved as discussed herein and attached hereto.

IT IS FURTHER ORDERED that within thirty (30) days of this decision, EPCOR Water (USA) -shall file with Docket Control tariff sheets in compliance with this decision.

IT IS FURTHER ORDERED that EPCOR Water (USA) -shall notice its customers that are provided wastewater service by the City of Peoria and Lake Havasu City of this tariff in a form and manner acceptable to Utilities Division Staff and docket such notice in this docket as a compliance item.

1 IT IS FURTHER ORDERED that this tariff shall become effective on the first day of the
 2 month after all EPCOR Water (USA) customers who are provided wastewater services by the City
 3 of Peoria and Lake Havasu City have been notified and such notice has been docketed with the
 4 Commission.

5 IT IS FURTHER ORDERED that this decision shall become effective immediately.

6 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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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 _____, 2012.

 ERNEST G. JOHNSON
 EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:GO:lh\RM

1 SERVICE LIST FOR: Arizona-American Water Company
2 DOCKET NO. W-01303A-12-0082

3 Mr. Michael T. Hallam
4 Lewis & Roca LLP
5 40 North Central Avenue
6 Phoenix, Arizona 85004

7 Ms. Sandra L. Murrey
8 EPCOR Water Arizona, Inc.
9 2355 West Pinnacle Peak Road, Suite 300
10 Phoenix, Arizona 85027

11 City of Peoria
12 Attn: Finance Manager
13 8401 West Monroe Street
14 Peoria, Arizona 85345

15 Lake Havasu City
16 Attn: City Manager
17 2330 McCulloch Boulevard North
18 Lake Havasu City, Arizona 86403

19 Mr. Steven M. Olea
20 Director, Utilities Division
21 Arizona Corporation Commission
22 1200 West Washington Street
23 Phoenix, Arizona 85007

24 Ms. Janice M. Alward
25 Chief Counsel, Legal Division
26 Arizona Corporation Commission
27 1200 West Washington Street
28 Phoenix, Arizona 85007

		Revised	SHEET NO.	
Arizona-American Water Company		Revised	SHEET NO.	
(Name of Company)	<u>ALL</u>			
	(Sun City Water District)			

TARIFF

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Arizona-American shall notify all water utility customers affected by the agreement between the Company and the City pursuant to this Tariff, by means of a billing insert during the first billing cycle immediately after said agreement is signed.

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		ISSUED BY: <u>Tom Broderick</u> <u>Director Rates</u>		
		2355 W. Pinnacle Peak Rd., Phoenix, AZ 85027		
		Decision No.		

		Revised	SHEET NO.	
<u>Arizona-American Water Company</u>		Revised	SHEET NO.	
(Name of Company)	<u>ALL</u>			
	(Havasu Water District)			

TARIFF

**CUSTOMER WATER CONSUMPTION INFORMATION SHARING
WITH LAKE HAVASU CITY, WASTEWATER PROVIDER**

EPCOR Water (USA) ("EPCOR Water" or "Company") is authorized to share water consumption information of individual customers with Lake Havasu City ("the City"), a municipal provider of wastewater service for common customers purchasing water from Arizona-American and wastewater from the City. The purpose of this Tariff, and the authorized provision of customer water consumption information, is to assist the City in billing for wastewater utility service. The City agrees that it is only authorized to use such water consumption information for purposes of wastewater services billing and is not authorized to disclose such information to any other party except as may be required by law.

EPCOR Water shall enter into an agreement with the City before providing individual water consumption data, in the form materially similar to the standard form agreement attached hereto. Any such agreement shall be subject to Arizona Corporation Commission ("Commission") review as set forth in Section 4 of the standard form agreement.

Arizona-American shall notify all water utility customers affected by the agreement between the Company and the City pursuant to this Tariff, by means of a billing insert during the first billing cycle immediately after said agreement is signed.

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