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Arizona Corporation Commission

BEFORE THE ARIZONA CORPORATION COM

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ARIZONA CORPORATION COMMISSION  
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COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS AGUA FRIA WATER DISTRICT, HAVASU WATER DISTRICT, MOHAVE WATER DISTRICT, PARADISE VALLEY WATER DISTRICT, SUN CITY WEST WATER DISTRICT AND TUBAC WATER DISTRICT.

DOCKET NO. W-01303A-08-0227  
SW-01303A-08-0227

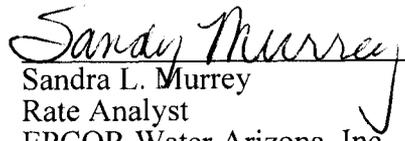
DECISION NO. 71410

NOTICE OF COMPLIANCE FILING

In compliance with Decision No. 71410 issued and effective December 8, 2009, EPCOR Water Arizona, Inc. ("Company") hereby files the attached Water Loss compliance report for the Paradise Valley Water District. The decision orders the Company to monitor the system and take action to ensure that lost water remains less than 10 percent in the future. No specific compliance filing date was given in the decision; however, as requested by Commission Staff the Company is providing the water loss report now with data through the most recent ended period of May 31, 2012 to validate that our water loss has been and remains at desired levels. The Company will in the future file similar reports on the anniversary of this filing or sooner if these levels are not maintained.

Please note the Company interprets the 10 percent water loss requirement in the standard manner of a 12 months rolling calculation. Therefore, given the December 8, 2009 effective date, the first rolling twelve month ended compliance period was January 2011. Hence, the report attached starts as of twelve months ended January 2011.

1 RESPECTFULLY SUBMITTED on July 2, 2012.

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4   
5 Sandra L. Murrey  
6 Rate Analyst  
7 EPCOR Water Arizona, Inc.  
8 2355 W. Pinnacle Peak Road, Suite 300  
9 Phoenix, AZ 85027  
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34 Original and 13 copies **filed**  
35 on July 2, 2012, with:

36  
37 Docket Control  
38 Arizona Corporation Commission  
39 1200 West Washington  
40 Phoenix, Arizona 85007  
41

42 Copies of the foregoing **emailed**  
43 on July 2, 2012 to:

44  
45 Brian K. Bozzo  
46 Compliance and Enforcement Manager  
47 Utilities Division  
48 1200 West Washington Street  
49 Phoenix, AZ 85007

1 water loss remains less than 10 percent immediately. If the water loss for the twelve month period  
2 ending June 30, 2010, is greater than 10 percent, the Company shall formulate a plan to reduce water  
3 loss to less than 10 percent, or prepare a report containing a detailed analysis and explanation  
4 demonstrating why water loss reduction to 10 percent or less is not feasible or cost effective, and  
5 shall docket in this case, no later than July 31, 2010, either the plan, the report, or notification that its  
6 water loss has been reduced below 10 percent.

7 IT IS FURTHER ORDERED that Arizona-American Water Company shall, for its Paradise  
8 Valley Water district monitor the system closely and take action to ensure that lost water remains less  
9 than 10 percent in the future. If the water loss at any time before the next rate case is greater than 10  
10 percent, the Company shall formulate a plan to reduce water loss to less than 10 percent, or prepare a  
11 report containing a detailed analysis and explanation demonstrating why a water loss reduction to 10  
12 percent or less is not feasible or cost effective, and shall docket in this case prior to the filing of its  
13 next rate case either the plan, the report, or notification that its water loss has remained below 10  
14 percent.

15 IT IS FURTHER ORDERED that Arizona-American Water Company shall not file a  
16 permanent rate application prior to January 1, 2011, for the Mohave Wastewater District.

17 IT IS FURTHER ORDERED that Arizona-American shall work with Staff to develop and file  
18 a low-income tariff for Commission consideration in this docket by December 31, 2009, for  
19 Commission consideration.

20 IT IS FURTHER ORDERED that Staff shall find Arizona-American Water Company's next  
21 rate application insufficient if, during its review of the filing, Staff finds the water use data submitted  
22 to be inaccurate, or if the water use figures used in the Company's cost of service study are not  
23 identical to those provided to Staff.

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Arizona American Water  
 Eastern Division - Paradise Valley Water District  
 Unaccounted For Water - 12-Month Rolling Totals from January 2011 to May 2012

Description	Quantity of Water (Kgal)																	
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	
<b>A Gallons Pumped</b>																		
Water Treatment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wells	3,291,063	3,306,869	3,369,295	3,388,945	3,410,854	3,422,024	3,397,301	3,418,174	3,435,978	3,462,526	3,439,275	3,411,871	3,408,691	3,421,251	3,442,881	3,451,787	3,472,659	0
<b>B Gallons Purchased</b>																		
Total Production	3,291,063	3,306,869	3,369,295	3,388,945	3,410,854	3,422,024	3,397,301	3,418,174	3,435,978	3,462,526	3,439,275	3,411,871	3,408,691	3,421,251	3,442,881	3,451,787	3,472,659	0

Description	Quantity of Water (Kgal)																	
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	
<b>C Authorized Unbilled/Consumption</b>																		
In-Plant Usage	614	576	534	492	450	409	366	324	283	240	199	156	156	157	157	157	157	157
Mixing Chemicals - Field	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Well Pumped Waste	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flushing Mains	900	900	1,000	1,020	1,070	970	520	180	180	180	180	180	180	205	325	362	560	647
Identified Fire Usage	0	0	0	0	0	0	0	30	30	30	30	30	30	30	30	30	30	30
Vandalism	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Street Cleaning	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Draining Storage Tanks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Online Analyzers & Chlorinators	134	254	388	517	650	780	913	1,047	1,176	1,309	1,438	1,572	1,572	1,572	1,576	1,576	1,576	1,576
Field Meter Testing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fire Hydrant Maintenance	160	245	280	190	205	145	145	145	153	167	219	227	227	142	147	137	122	122
Flushing Sewer Mains	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Authorized Unbilled/Consumption</b>	<b>1,818</b>	<b>1,985</b>	<b>2,211</b>	<b>2,229</b>	<b>2,385</b>	<b>2,306</b>	<b>1,947</b>	<b>1,728</b>	<b>1,824</b>	<b>1,929</b>	<b>2,069</b>	<b>2,168</b>	<b>2,193</b>	<b>2,233</b>	<b>2,275</b>	<b>2,463</b>	<b>2,535</b>	<b>2,535</b>

Description	Quantity of Water (Kgal)																	
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	
<b>D Gallons Delivered</b>																		
<b>Total</b>	<b>3,289,245</b>	<b>3,304,884</b>	<b>3,367,084</b>	<b>3,386,716</b>	<b>3,408,469</b>	<b>3,419,718</b>	<b>3,395,364</b>	<b>3,416,446</b>	<b>3,434,154</b>	<b>3,460,597</b>	<b>3,437,206</b>	<b>3,409,703</b>	<b>3,406,498</b>	<b>3,419,018</b>	<b>3,440,606</b>	<b>3,449,324</b>	<b>3,470,124</b>	<b>3,470,124</b>
<b>E Gallons Sold</b>																		
Residential	2,100,720	2,118,810	2,150,309	2,162,985	2,162,631	2,167,585	2,188,045	2,195,636	2,213,886	2,221,127	2,234,594	2,218,605	2,209,864	2,205,475	2,214,498	2,221,665	2,216,192	2,216,192
Commercial	872,295	880,349	891,627	900,231	898,073	898,736	900,909	898,426	911,338	913,879	917,424	907,264	912,409	912,844	918,788	919,914	920,932	920,932
Industrial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fire Service	67	69	64	79	85	87	89	84	74	68	(828)	583	643	704	745	789	820	820
OPA	12,206	12,126	12,094	11,955	12,456	11,436	11,160	11,432	11,654	11,698	11,816	11,157	11,094	11,222	11,362	11,741	11,855	11,855
Resale	4,577	4,762	4,945	5,111	5,242	5,276	5,386	5,431	5,514	5,823	5,899	5,940	6,128	5,996	5,945	5,859	5,735	5,735
Miscellaneous	59	119	177	234	366	503	770	1,069	1,296	1,683	1,921	2,065	2,058	2,056	2,053	2,060	2,050	2,050
<b>Total Sales</b>	<b>2,989,924</b>	<b>3,016,235</b>	<b>3,059,216</b>	<b>3,080,595</b>	<b>3,078,863</b>	<b>3,083,623</b>	<b>3,106,359</b>	<b>3,112,078</b>	<b>3,143,762</b>	<b>3,154,278</b>	<b>3,170,726</b>	<b>3,145,614</b>	<b>3,142,196</b>	<b>3,138,297</b>	<b>3,153,391</b>	<b>3,162,028</b>	<b>3,157,584</b>	<b>3,157,584</b>

Description	Quantity of Water (Kgal)																	
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	
<b>F Non-Account Water</b>																		
<b>Total</b>	<b>299,321</b>	<b>288,649</b>	<b>307,868</b>	<b>306,121</b>	<b>329,616</b>	<b>336,095</b>	<b>288,995</b>	<b>304,368</b>	<b>290,392</b>	<b>306,319</b>	<b>266,480</b>	<b>264,089</b>	<b>264,302</b>	<b>280,721</b>	<b>287,215</b>	<b>287,296</b>	<b>312,540</b>	<b>312,540</b>
<b>Percentage</b>	<b>9.10%</b>	<b>8.73%</b>	<b>9.14%</b>	<b>9.04%</b>	<b>9.67%</b>	<b>9.83%</b>	<b>8.51%</b>	<b>8.91%</b>	<b>8.46%</b>	<b>8.85%</b>	<b>7.75%</b>	<b>7.75%</b>	<b>7.76%</b>	<b>8.21%</b>	<b>8.35%</b>	<b>8.33%</b>	<b>9.01%</b>	<b>9.01%</b>

Negative numbers indicate quantity or percentage above production or 100%