

EDEN WATER CO.,
9488 N Hot Springs RD
EDEN, AZ 85535

ORIGINAL

(928)485-9250 or (928) 792-7138
EDENWATER@AZNEX.NET

Thursday, July 26, 2012

2012 JUL 30 A 11: 12

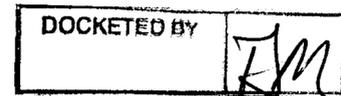
Arizona Corporation Commission
1200 W Washington
Phoenix, AZ 85007

AZ CORP COMMISSION
DOCKET CONTROL



Re: Emergency Rate – Compliance Notice
Docket No. W-02068A-10-0376

Arizona Corporation Commission
DOCKETED
JUL 30 2012



Dear Brian Bozzo and/or Docket Control

Sebrina Davis received a phone call from Miss. Hood today regarding the Compliance Notices letter that was dated on January 14, 2011. Miss. Hood brought to my attention that Eden Water Company were still out of Compliance with the Arizona Corporation Commission on three Actions: Application for a permanent RATE INCREASE, Water Loss, and CURTAILMENT TARIFF.

The Application for the permanent RATE INCREASE was sent out on December 15, 2011; received a Docket number of W-02068A-11-0471. We received a Letter of sufficiency on June 22, 2012.

The Water Loss Jay Colvin (President) has been working on that, he sent water lose report with the Application for the Permanent RATE INCREASE, this was discussed on Page 3, addendum E; in the rate case application. Attach will be a copy of that page. Also attach will be a Water Loss Plan that Jay Colvin wrote up on July 15, 2012. Also attach is a water loss for 2012 to show you that we think we might have found all the water loss. As you look at the chart you will find that the water loss has gone down.

**EDEN WATER CO.,
9488 N Hot Springs RD
EDEN, AZ 85535**

Docket No. W-02068A-10-0376
**(928)485-9250 or (928) 792-7138
EDENWATER@AZNEX.NET**

CURTAILMENT TARIFF; the first form was sent out on the 12-7-11. I receive an email from Renee De La Fuente on December 14, 2011 she said they received the Curtailment tariff and that Eden Water Company filed the wrong form. Renee then fax us the right form and it was file on the December 15, 2011. The Docket No: W-02068A-11-0444 the Decision No: 72853 Effective: February 10, 2012.

**Sebrina Davis (office Manager)
Eden Water Company
(928) 792-7138**

ANTICIPATED CONSTRUCTION. PLEASE EXPECT:

EWC is in the process of replacing an existing 2" line with a 6" line. The existing line has had low water pressure and isn't enough pressure for any fire protection. Project completion lacks about 5,000 feet.

Another problem is with a different existing 2" line that goes out to Klondike road. EWC Franchise boundaries stop at the cattle guard which is about 200 yards west of the highway. The line is overburdened as there are many homes past that point that discreetly need water. It is the desire of EWC to replace that line with at least a 4" line that comes from the main line down to highway 70. EWC could not consider this project until the new 6 inch line down Bryce Eden Road was completed. It would like to expend the service to take care of these folks that are in areas of very little and very bad quality of ground water.

The water tank in Eden is currently without pumps to pump water into the line. In 2006, there was a high wind that destroyed the pump house connected to it. The building was able to be rebuilt, but the pumps are still off line. Electrical controls are still needed. Deprecation money planned on will be used to complete this.

Page 3, Addendum F

Water Loss:

EWC has had sporadic water losses; the Company has constantly searched for water leaks up and down the line. The line was isolated to try to pinpoint the problem. There have been several water leaks showing up with the tubing from the main line to some of the meter connections. When it was installed in 1969, the contractor was not required by any codes to sand the pipeline or service connections. The roadway in the Eden Area has seen an increase in heavy truck traffic and as a result, EWC has had to replace several lines that cross the roadway at a very high expense. Several have been repaired a few times before the whole crossing had to be replaced. With the new 6" extension and line replacement, the cross over meter connection has been abandoned because there is a line on both sides of the roadway in many areas. It was thought that the leak problems were solved, only to see a large water loss, which was more than could be explained away. In April of 2011, a two inch water tap was found open and watering a pasture. That same area has had many past complaints of low water pressure, even though the line was searched out time and time again for any leaks.. It was noticed that the pasture was wet, but no surface water running. The property has a well on it and the thought was that it was the well that was the source of the wet ground.

Since that time there have been a few more small leaks, but nothing compared to these large water loss months. In the past, Pima Utilities would allow us to pay a lesser amount for a large loss, but for some reason they do not wish to communicate this with us anymore. Looking on the table for 2011 a distinct drop in May can be seen. There was a major leak under the roadway of Bryce-Eden Road in July and

Docket NO. W-0208A-11-0376

August. EWC had a problem in getting a permit from the county. Finally, EWC decided that pressurizing new replacement pipeline in the area and then had to use water to chlorinate the line, repair two bad joints, and repair the water loss under the roadway. Water losses went down in September.

2010 water loss

MONTH	Water Purchased Gallons	Water Sold Gallons	Gain- (Losses) Gallons	% of loss
JANUARY	1,062,200	879,000	-183,200	17%
FEBRUARY	1,051,100	751,000	-300,100	29%
MARCH	1,114,800	803,000	-311,800	28%
APRIL	1,149,200	1,027,000	-122,200	11%
MAY	1,612,900	1,849,000	236,100	-15%
JUNE	2,270,600	1,781,000	-489,600	22%
JULY	2,827,200	1,931,000	-896,200	32%
AUGUST	2,446,200	1,395,000	-1,051,200	43%
SEPTEMBER	2,139,900	1,475,000	-664,900	31%
OCTOBER	2,419,500	1,218,000	-1,201,500	50%
NOVEMBER	2,295,500	1,644,000	-651,500	28%
DECEMBER	1,960,300	1,260,000	-700,300	36%
TOTAL	22,349,400	16,013,000	-6,336,400	28%

EDEN WATER CO., INC.
2012 WATER PURCHASED AND SOLD

Docket No. W-02068A-11-0376

MONTH	# of Custmer	Water Purchased Gallons	Water Sold Gallons	Gain-(Losses) Gallons
JANUARY	127	2,357,200	1,530,000	-827,200
FEBRUARY	127	2,036,800	865,000	-1,171,800
MARCH	128	1,844,900	807,000	-1,037,900
APRIL	129	1,711,200	1,399,000	-312,200
MAY	129	1,767,400	1,500,000	-267,400
JUNE	127	2,356,900	1,701,000	-655,900
JULY	125	2,179,600	1,803,000	-376,600
AUGUST				0
SEPTEMBER				0
OCTOBER				0
NOVEMBER				0
DECEMBER				0
TOTAL		14,254,000	9,605,000	-4,649,000

Notes

Notes

~~Docket No. W-020687-10-0376~~

~~Docket No. W-020687-11-0471 (old) sxd~~

Eden Water Company



9488 n. Hot Springs Rd.

Eden, Az. 85535

Office: 928-485-9250

Fax: 928-485-9281

July 15, 2012

Water Loss plan:

The water loss has been a major problem for us. It has always been a struggle. EWC has about 20 miles of pipeline with 140 customers. When the line was installed in the mid-sixties it was one of the first pvc pipelines in the area. The contractor did not use any sand to cover the pipeline. In addition the subcontractor insisted on using metal fittings for all air vents on the pipeline. Many of these air vents were covered up. The piping to the vents has been rusting out; the water has to service before we are able to find those leaks. In addition they used copper tubing sized service tubing without any sand around the tubing. The last several years these have been subbing against rocks and have started to leak. Many areas they leak for quite some time before the water comes to the surface. Another problem that we have is that the San Carlos Apache reservation has a fiber optics line that runs along our pipeline on highway 70. They sometimes take over two weeks to get someone to blue stake it. We also had on very large incident that we had a line tapped into our line. This has been taken care off.

Our plan to address the water loss.

- a. Use the Leak Detection Program as outline Tariff- BMP 4.1
- b. Drive the full length of the pipeline at least once per week.
- c. Any kind of repair EWC will sand the pipeline so that the problem will not continue after repair.
- d. Do monthly water loss reports with EWC reading the two supply meters when customer meters are read.

Jay D. Colvin President
