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BEFORE THE ARIZONA CORPORATION COMMISSION

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

2012 DEC 13 PM 4:44

IN THE MATTER OF THE APPLICATION OF BELLA VISTA WATER CO., INC. AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO: W-02465A-09-0411

IN THE MATTER OF THE APPLICATION OF NORTHERN SUNRISE WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO: W-20453A-09-0412

IN THE MATTER OF THE APPLICATION OF SOUTHERN SUNRISE WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO: W-20454A-09-0413

IN THE MATTER OF THE JOINT APPLICATION OF BELLA VISTA WATER CO., INC., NORTHERN SUNRISE WATER COMPANY, INC. AND SOUTHERN SUNRISE WATER COMPANY, INC. FOR APPROVAL OF AUTHORITY TO CONSOLIDATE OPERATIONS, AND FOR TRANSFER OF UTILITY ASSETS TO BELLA VISTA WATER CO., PURSUANT TO ARIZONA REVISED STATUTES 40-285.

DOCKET NO: W-02465A-09-0414
DOCKET NO: W-20453A-09-0414
DOCKET NO: W-20454A-09-0414

**NOTICE OF COMPLIANCE
(Supplement)**

1 Pursuant to Decision No. 72251 (April 7, 2011), Bella Vista Water
2 Company, Inc., Southern Sunrise Water Company, Inc. and Northern Sunrise
3 Water Company, Inc. (the "Company") hereby files this Notice of Compliance in
4 the above-captioned matter. Decision No. 72251 requires the Company to monitor
5 its water loss and file a report. As discussed in the Notice of Compliance filing
6 docketed on August 8, 2012, the Company is filing the attached update, labeled as
7 Exhibit 1.

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11 RESPECTFULLY SUBMITTED this 13 day of December, 2012.

12
13 By: Christopher D. Krygier 12/13/12
14 Christopher D. Krygier
15 Bella Vista Water Company, Inc. dba Liberty Utilities
16 12725 W. Indian School Road
17 Suite D101
18 Avondale, Arizona 85392
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ORIGINAL and 13 copies filed
this 13 day of December, 2012 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Carmel Hood
Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Marlin Scott, Jr.
Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

By: Chris Ruggie 12/13/12

EXHIBIT

1



ACC Decision No. 72251 ordered:

IT IS FURTHER ORDERED that Bella Vista Water Company shall monitor its water systems for a 12-month period to prepare a water loss report to be filed with Docket Control within 45 days after the end of the 12-month period, as a compliance item in this docket, and shall coordinate when the production meters are read each month with customer monthly meter readings in a manner that yields information necessary to monitor non-account water with reasonable accuracy; if the reported water loss is greater than 10 percent, Bella Vista Water Company shall submit a detailed cost/benefit analysis containing a detailed analysis and plan to reduce the water loss to 10 percent or less, and if it is not cost effective to achieve the targeted water loss, Bella Vista Water Company shall submit a detailed analysis that supports that position.

On August 8, 2012, the Company docketed the non-revenue water data for each of the water systems in the Sierra Vista area. The results were as follows:

System	12 Month Non-Revenue Water
Bella Vista – City	7.02%
Bella Vista – South	5.95%
Northern Sunrise	7.39%
Southern Sunrise	26.49%

As a result of the Southern Sunrise system not achieving the 10 percent goal stated in the order, the Company is supplementing its August 8, 2012 filing with the 2012 Action Plan that was undertaken along with its prospective 2013 Action Plan. As can be seen in the Action Plan below and updated data on the next page, the 2012 Action Plan was extremely successful as non-revenue water continues to decrease and is now at 19% through the most recent 12 month reporting period.

2012 Action Plan Items Completed:

1. Continued use of AWWA methodology
2. Verified that well production meters were accurately reading.
3. Reduced turnaround time to fix leaks reported to the Company. Average turnaround time was six hours in 2010, average 2012 turnaround time is two hours.
4. Audit of meter installation in billing software to ensure correct multiplier utilized
5. Piloting of Microwave Location System to locate lines/illegal connections
6. Replaced 92 meters
7. Replaced 50 services

2013 Action Plan Items Planned:

1. Continue use of AWWA methodology
2. Continue monitoring system for illegal connections
3. Continue audit of meter installation data in billing software
4. Replace 150 meters
5. Replace services as needed
6. Implementation of GIS program scheduled in 2013

	A	B	C	D	E	F	G	H	I	J	K
1	Liberty Utilities										
2	Southern Sunrise										
3		2011									
4		January			1,640,099	1,655,099	5,657,992	4,002,993		28.99%	
5		February		15,000	944,616	1,371,616	5,290,662	3,919,046		17.85%	
6		March		427,000	2,846,582	3,069,082	6,793,794	3,724,712		41.90%	
7		April		222,500	2,688,925	2,736,425	7,709,872	4,973,447		34.88%	
8		May		47,500	2,734,989	2,812,489	8,671,736	5,859,247		31.54%	
9		June		77,500	2,775,264	3,279,764	9,139,491	5,859,727		30.37%	
10		July		504,500	-773,320	-655,820	6,181,056	6,836,876		-12.51%	
11		August		117,500	3,009,812	3,022,312	8,315,501	5,293,189		36.20%	
12		September		12,500	1,734,649	1,812,149	7,148,273	5,336,124		24.27%	
13		October		77,500	2,472,129	2,481,629	7,322,629	4,841,000		33.76%	
14		November		9,500	1,851,048	1,858,548	6,360,397	4,501,849		29.10%	
15		December		7,500	2,030,114	2,037,614	6,156,409	4,118,795		32.98%	
16		2012 January		21,500	1,553,064	1,574,564	5,520,218	3,945,654		28.13%	28.21%
17		February		9,500	1,355,165	1,364,665	5,221,622	3,856,957		25.95%	28.72%
18		March		23,000	1,517,800	1,540,800	6,184,906	4,644,106		24.54%	27.34%
19		April		9,500	1,694,334	1,703,834	6,730,911	5,027,077		25.17%	26.47%
20		May		9,500	2,220,707	2,230,207	7,741,919	5,511,712		28.68%	26.14%
21		June		31,500	1,110,088	1,141,588	8,528,137	7,386,549		13.02%	24.29%
22		July		9,500	-524,418	-514,918	6,147,542	6,662,460		-8.53%	24.61%
23		August		75,700	1,927,185	2,002,885	6,596,039	4,593,154		29.22%	23.78%
24		September		29,500	618,434	647,934	6,029,685	5,381,751		10.26%	22.70%
25		October		492,160	956,899	1,449,059	6,583,353	5,134,294		14.54%	20.96%
26		November		19,000	470,513	489,513	5,230,103	4,740,590		9.00%	19.47%