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BEFORE THE ARIZONA CORPORATION CO.

COMMISSIONERS

BOB STUMP, Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

Arizona Corporation Commission

DOCKETED

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AZ CORP COMMISSION  
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DOCKETED BY

IN THE MATTER OF THE APPLICATION OF  
NORTH MOHAVE VALLEY CORPORATION  
FOR APPROVAL OF THE SALE OF ITS ASSETS  
AND TRANSFER OF ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY TO EPCOR  
WATER ARIZONA, INC.

DOCKET NO. W-02259A-13-0138  
DOCKET NO. W-01303A-13-0138

DECISION NO. 74174

NOTICE OF COMPLIANCE FILING

Decision No. 74174 authorized the acquisition of North Mohave Valley Corporation by EPCOR Water Arizona, Inc. ("Company"). The decision stated that the Company shall continue to charge water customers in the certificated service area of North Mohave Valley Corporation their existing rates and charges until further order by the Commission.

On January 1, 2014, the Company had initially filed both new Tariffs and Rules and Regulations for the newly acquired North Mohave Water District as authorized in said decision. Upon discussion with Staff, it was determined that the Company will re-file the Tariffs and for those pages that reference the established rates the Company shall include two decision numbers. Sheet Nos. 1, 2, and 2a, will include Decision No. 60168 which established the rates for North Mohave Valley Corporation that remain in effect as well as Decision No. 74174 which authorizes the acquisition of North Mohave Valley Corporation by EPCOR Water Arizona, Inc. Also included are the Best Management Practices Tariffs and the Cross Connection or Back Flow Tariff which will reference only Decision No. 74174 which ordered those tariff pages as a compliance item. Finally, the Company is requesting to withdraw the initial filing of the Rules and Regulations for North Mohave Water District at this time and will file them in a future rate case. Therefore, the Company hereby files only the attached Tariffs for North Mohave Water District.

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RESPECTFULLY SUBMITTED on March 18, 2014.

  
Sandra L. Murrey  
Rate Analyst  
EPCOR Water Arizona, Inc.  
2355 W. Pinnacle Peak Rd., Suite 300  
Phoenix, AZ 85027

Original and 13 copies **filed**  
On March 18, 2014, with:

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

Copies of the foregoing **emailed**  
On March 18, 2014, to:

Brian K. Bozzo  
Compliance and Enforcement Manager  
Utilities Division  
1200 West Washington Street  
Phoenix, AZ 85007

# North Mohave Water District

## Tariffs



North Mohave Water District  
(Name of Service Area)

**SERVICE CHARGES**

This District is authorized to charge the following service charges:

**Service Establishment, Re-Establishment and/or Reconnection Charge**

As provided for in EPCOR Water Arizona, Inc.'s North Mohave Water District Rule No. 2 (D), the Company will charge the following rates for the establishment or re-establishment and/or reconnection of water utility service:

A.	Establishment of Water Utility Service when:	
	1. Regular Hours	\$25.00
	2. After Hours	\$40.00
B.	Reconnection of Water Utility Service	\$40.00
C.	NSF Check	\$15.00
D.	Meter Re-Read (If Correct)	\$15.00
E.	Water Meter Test (If Correct)	\$25.00
F.	Late Fee Charge	1.50% per month
G.	Deferred Payment Finance Charge	1.50% per month
H.	Deposit Requirements Residential	*
I.	Deposit Requirements Non-Residential	*
J.	Deposit Interest	**
K.	Re-Establishment w/in 12 months	Months off the System Times the Minimum

\* [Per ACC Rule R14-2-403(B)]

Residential – Two times the average bill.

Non-residential – Two and one-half times the estimated maximum bill.

\*\*Interest per [Per ACC Rule 14-2-403(B)]

ISSUED: January 2, 2014  
Month Day Year

EFFECTIVE: January 1, 2014  
Month Day Year

ISSUED BY: Sheryl Hubbard, Director, Regulatory & Rates  
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027



# North Mohave Water District

## BMP Tariffs

EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

North Mohave Water District

(Name of Service Area)

**Local and/or Regional Messaging Program Tariff – BMP 1.1****PURPOSE**

A program for the Company to actively participate in a water conservation campaign with local or regional advertizing (Modified Non-Per Capita Conservation Program BMP Category 1: Public Awareness/Public Relations 1.1: Local and/or Regional Messaging 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 actively participate in water conservation campaign with local and/or regional advertising.
2. The campaign shall promote ways for customers to save water.
3. The Company shall facilitate the campaign through one or more of the following avenues (not an all inclusive list):
  - a. Television commercials
  - b. Radio commercials
  - c. Websites
  - d. Promotional materials
  - e. Vehicle signs
  - f. Bookmarks
  - g. Magnets
4. The Company shall keep a record of the following information and make it available to the Commission upon request:
  - a. A description of the messaging program implemented and program dates.
  - b. The number of customers reached (or an estimate).
  - c. Costs of Program implementation.

ISSUED: January 2, 2014  
Month Day YearEFFECTIVE: January 1, 2014  
Month Day YearISSUED BY: Sheryl Hubbard, Director, Regulatory & Rates  
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

North Mohave Water District

(Name of Service Area)

## Youth Conservation Education Program Tariff – BMP 2.2

### PURPOSE

A program for the 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, classroom presentations, and field trips to water related facilities.
3. The Company shall provide the following teacher resources.
  - a. Offer Project WET (Water Education for Teachers) workshops to teachers twice yearly. In lieu of Project WET the Company may market its Water Conservation Assembly Program to all schools within its service area. The Water Conservation Assembly Program will focus on teaching students about water resources and water conservation. The assembly itself will be an interactive water conservation discussion.
  - b. Provide free resource materials and information upon request.
  - c. Provide in-classroom presentations upon request.
4. The Company shall make available free take home educational materials 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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**New Homeowner Landscape Information Tariff – BMP 2.3****PURPOSE**

A program for the Company to promote the conservation of water by providing a landscape information package for the purpose of educating its new customers about low water use landscaping (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.3: New Homeowner Landscape Information).

**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. Upon establishment of water service the Company shall offer and make available upon request a free "Homeowner Landscape Packet" to each new customer in the Company's service area. The packet will include at a minimum: a cover letter describing the water conservation expectations for all customers in the Company's service area, applicable rate tariffs, a basic interior/exterior water saving pamphlet, xeriscape landscape information, a list of low water use trees, plants, shrubs, etc., watering guidelines, and a rain water harvesting pamphlet.
2. Upon customer request, the Company shall provide:
  - a. On-site consultations on low water use landscaping and efficient watering practices.
  - b. A summary of water saving options.
3. The Company shall keep a record of the number of packets provided to new customers and make it available to the Commission upon request.

ISSUED: January 2, 2014  
Month Day YearEFFECTIVE: January 1, 2014  
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EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

North Mohave Water District

(Name of Service Area)

## Residential Audit Program Tariff – BMP 3.1

### PURPOSE

A program for the Company 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 to the Commission 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.

ISSUED: January 2, 2014  
Month Day YearEFFECTIVE: January 1, 2014  
Month Day YearISSUED BY: Sheryl Hubbard, Director, Regulatory & Rates  
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EPCOR Water Arizona, Inc.

(Name of Company)

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North Mohave Water District

(Name of Service Area)

**Residential Interior Retrofit Program Tariff – BMP 3.4****PURPOSE**

A program for the Company to promote water conservation by providing residential customers free or low cost plumbing fixtures for their residence (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.4: Residential Interior Retrofit 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 provide to residential customers that request them that live in homes built prior to the adoption of the 1990 Uniform Plumbing Code free or low cost low water use fixtures such as faucets, faucet aerators, low flow shower heads, toilets and toilet dams. The Company must offer the fixtures/fixture retrofits to all residential customers meeting the above criteria unless the Company can demonstrate that targeting certain portions of its water service area is likely to yield the highest participation and/or potential water savings.
1. The Company or designated representative shall provide to residential customers
2. The fixtures or retrofit kit shall include detailed instructions for installing the retrofit fixtures.
3. The Company shall select appropriate communications channels to advertize the program.
4. The Company shall keep a record of the following information and make it available to the Commission upon request:
  - a. A description of the Residential Interior Retrofit Program including a description of the fixtures provided to customers and estimated water savings as a result of Program implementation.
  - b. The number of retrofit fixtures requested by customers and the number of fixtures provided.
  - c. Costs of the Residential Interior Retrofit Program.

ISSUED: January 2, 2014  
Month Day YearEFFECTIVE: January 1, 2014  
Month Day YearISSUED BY: Sheryl Hubbard, Director, Regulatory & Rates  
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027Decision No. 74174

EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

North Mohave Water District

(Name of Service Area)

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

**PURPOSE**

A program for the Company 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 verify consumption and conduct a leak detection inspection and further assist the customer with water conservation measures.
4. The Company shall follow up on every customer inquiry or complaint and keep a record of inquiries and follow-up activities. The Company shall make this information available to the Commission upon request.

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Month Day Year

EFFECTIVE: January 1, 2014  
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EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

North Mohave Water District

(Name of Service Area)

**Leak Detection Program Tariff – BMP 4.1****(Continued)**

4. The Company shall keep accurate and detailed records concerning its leak detection and repair/rehabilitation program and the associated costs. Records of repairs shall include: possible causes of leak; estimated amount of water lost; and date of repair. These records shall be made available to the Commission upon request.
5. The Company shall maintain a complete set of updated distribution system maps.
6. The Company shall conduct a water audit annually which includes the following steps to determine how efficient each water system is operating and where the losses might be.
  - a. Use coordinated monthly source and service meter readings to calculate how much water enters and leaves the system during the 12 month review period.
  - b. Track and estimate any unmetered authorized uses.
  - c. Calculate the total amount of leakage using the following formula:  
  

$$\text{Unaccounted for water (\%)} = \frac{[(\text{Production and/or purchased water minus metered use \& estimated authorized un-metered use}) / (\text{Production and/or purchased water})] \times 100\%}{}$$
  - d. Authorized un-metered uses may include firefighting, main flushing, process water for water treatment plants, etc. Water losses include all water that is not identified as authorized metered water use or authorized un-metered use.
  - e. Determine possible reasons for leakage, including physical leaks and unauthorized uses.
  - f. Analyze results to determine the improvements needed, such as, better accounting practices, leak survey or replacing old distribution pipes.
7. The Company shall keep accurate and detailed records concerning its annual water audit results. These records shall be made available to the Commission upon request.

ISSUED: January 2, 2014  
Month Day YearEFFECTIVE: January 1, 2014  
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North Mohave Water District

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**Meter Repair and/or Replacement Tariff – BMP 4.2****PURPOSE**

A program for the Company to systematically assess all in-service water meters (including Company production meters) in its water service area to identify under-registering meters and to repair or replace them (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.2 Meter Repair and/or Replacement 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. On a systematic basis, the Company will replace all 2-inch and smaller in-service water meters at least once every fifteen years.
2. The Company will test all meters that have caused a meter reading complaint to be filed with the Arizona Corporation Commission.
3. Meters larger than 2-inch shall be tested for one of the following reasons:
  - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
  - b. A meter has been in service for five years.
4. The test will be accomplished by one of the following:
  - a. Having the meter pulled and having a Company Technician physically inspect each meter and its fittings for leaks, registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair.
  - b. Utilizing equipment to verify that all electronic components are within manufacturer specifications and are operating properly.
5. In addition, meters shall be randomly selected for flow testing utilizing a flow through detector testing meter.
6. All replacement water meters shall register in gallons:
  - a. All new 1-inch and smaller meters that are installed will register usage in 1 gallon increments,
  - b. All new 1-1/2-inch through 4-inch meters that are installed will register in 10 gallon increments, and
  - c. All new 6-inch and larger meters that are installed will register in 100 gallon increments.
7. The Company shall keep records on the number of meters that were replaced and make this information available to the Commission upon request.

ISSUED: January 2, 2014  
Month Day YearEFFECTIVE: January 1, 2014  
Month Day YearISSUED BY: Sheryl Hubbard, Director, Regulatory & Rates  
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EPCOR Water Arizona, Inc.

(Name of Company)

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(Water Conservation Phone)

North Mohave Water District

(Name of Service Area)

**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 make available to all its customers 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.

ISSUED: January 2, 2014  
Month Day YearEFFECTIVE: January 1, 2014  
Month Day YearISSUED BY: Sheryl Hubbard, Director, Regulatory & Rates  
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

**North Mohave Water District**

**Cross Connection or Back Flow  
Tariff**





1 base as of December 31, 2012, be determined to be \$2,137,020, and that any determination for the  
2 recovery of an additional 10 percent of rate base payment or any other payment is premature and is  
3 better determined in the context of a general rate case.

4 19. Staff further recommends that the Commission's approval of the sale of NMVC's  
5 assets and transfer of its Certificate to EPCOR be conditioned upon the following:<sup>4</sup>

- 6 [
- 7 • that EPCOR file, within 60 days of the effective date of this Decision, with the
  - 8 Commission's Docket Control, as a compliance item in this docket, the cross-
  - 9 connection and back-flow tariff for NMVC's certificated area; and
  - 10 • that EPCOR file, within 60 days of the effective date of this Decision, with the
  - 11 Commission's Docket Control, as a compliance item in this docket, EPCOR
  - 12 Mohave's BMP Tariffs for the NMVC certificated area.

13 20. Under the circumstances, we believe that the Application should be approved subject  
14 to Staff's recommendations hereinabove. We agree with Staff that it would be inappropriate to make  
15 a rate base determination during this proceeding.

16 21. Because an allowance for the property tax expenses of the utility company is included  
17 in its rates and will be collected from its customers, the Commission seeks assurances from the  
18 Company that any taxes collected from rate payers have been remitted to the appropriate taxing  
19 authority. It has come to the Commission's attention that a number of water companies have been  
20 unwilling or unable to fulfill their obligation to pay the taxes that have been collected from rate  
21 payers, some for as many as 20 years. It is reasonable, therefore, that as a preventive measure,  
22 EPCOR Water Arizona, Inc. should annually file, as part of its Annual Report, an affidavit with the  
23 Utilities Division attesting that the Company is current and paying its property taxes in Arizona.

24 CONCLUSIONS OF LAW

25 1. NMVC is a public service corporation within the meaning of Article XV of the  
26 Arizona Constitution and A.R.S. §§ 40-281, 40-282, and 40-285.

27 2. The Commission has jurisdiction over NMVC and of the subject matter of the  
28 application.

<sup>4</sup> Although Staff, in its report, had originally recommended that the above-referenced compliance items be filed within 30 days of the effective date of this Decision, during the hearing, to address the concerns of the parties, Staff's witness indicated that Staff had no objections to the documents being filed 60 days after the effective date of this Decision.

