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Attorneys for Liberty Utilities (Rio Rico Water & Sewer) Corp.

BEFORE THE ARIZONA CORPORATION COMMISSION

ORIGINAL

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

DOCKET NO: WS-02676A-12-0196

NOTICE OF COMPLIANCE

Liberty Utilities (Rio Rico Water & Sewer) Corp. d/b/a Liberty Utilities (the "Company") hereby submits this Notice of Compliance pursuant to Decision No. 73996 (July 30, 2013). Decision No. 73996 requires the Company to record and monitor monthly water losses and to file a report within 90 days of the end of each calendar year. The Company's report for 2013 is attached as **Exhibit A**. Authorized Use exceeded 5,000,000 gallons in January and April. The reasons for this use are stated in the report.

DATED this 31st day of March, 2014.

FENNEMORE CRAIG, P.C.

By: _____

Jay L. Shapiro
Attorney for Liberty Utilities
(Rio Rico Water & Sewer) Corp.

1 **ORIGINAL** and 13 copies filed
2 this 31st day of March, 2014 with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 **COPY** of the foregoing was hand-delivered
8 this 31st day of March, 2014 to:

9 Bridget A. Humphrey, Esq.
10 Scott M. Hesla, Esq.
11 Legal Division
12 Arizona Corporation Commission
13 1200 West Washington Street
14 Phoenix, Arizona 85007

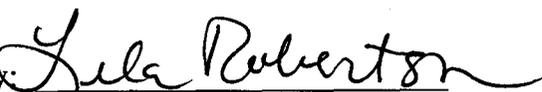
15 Carmel Hood, Compliance
16 Utilities Division
17 Arizona Corporation Commission
18 1200 West Washington Street
19 Phoenix, Arizona 85007

20 **COPY** of the foregoing was mailed
21 this 31st day of March, 2014 to:

22 Daniel Pozefsky, Esq.
23 Residential Consumer Office
24 1110 West Washington Street, Suite 220
25 Phoenix, Arizona 85007

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24
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26 9023519.1/035227.0028

Exhibit

A

Rio Rico Utilities, Inc. dba Liberty Utilities
Docket No. WS-02676A-12-0196
Decision No. 73996
2013 Annual Non-Revenue Water Report
(Data in Million Gallons)

	<u>AUTHORIZED</u>	<u>UNAUTHORIZED</u>	<u>TOTAL WATER LOSS</u>	<u>TOTAL PUMPED</u>	<u>TOTAL SOLD</u>	<u>12 MO RUNNING AVE</u>
2013 January[^]	6.203	10.262	16.465	55.896	39.431	7.23%
February	4.253	-7.332	-3.079	44.755	47.834	6.31%
March	4.285	15.697	19.982	60.641	40.659	7.78%
April^{^^}	5.336	10.117	15.453	65.415	49.962	8.61%
May	4.952	10.967	15.919	72.806	56.887	9.13%
June	4.167	7.509	11.676	92.460	80.784	8.92%
July	3.486	-9.768	-6.282	70.280	76.562	7.50%
August	3.799	5.343	9.142	60.657	51.515	7.79%
September	4.697	-1.772	2.925	56.179	53.254	7.40%
October	3.635	-3.215	0.420	65.917	65.497	6.51%
November	3.380	0.105	3.485	61.505	58.020	6.01%
December	1.350	7.675	9.025	59.994	50.969	5.95%

[^] In January, we had issues with the electrical panel that controlled the pump motors at Lift Station #1. This necessitated an Operator to stay on-site for hours at a time to make sure the pumps would function on the hand setting. While the operator was on-site, they were using a great deal of water and washing down the wet well almost continuously to make sure that debris didn't get stuck on and around the pump which would have exacerbated the problem.

^{^^} In April, we had a main break in the South Industrial Park which caused a pressure drop on the Southwest side of Rio Rico. We set many flushes to rid the system of the entrapped air in the lines.

General Note - during most of 2013, the Company did not have meters set at its lift stations to record company water use, so that water was included in "unauthorized" column. In December, we installed water use meters at our lift stations, so in the future, this company water use will be included in "authorized". Also, almost half the 2013 Authorized water use was from fire suppression use/training.