

# ORIGINAL NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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BOB STUMP, Chairman  
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SUSAN BITTER SMITH  
BOB BURNS

2014 JUL 30 P 2:43

AZ CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF EPCOR WATER COMPANY USA, AN ARIZONA CORPORATION, FOR APPROVAL OF A TARIFF AT VARIANCE WITH A.A.C. R14-2-410.A.2

DOCKET NO. W -01303A-14-0288

APPLICATION FOR APPROVAL OF TARIFF

DOCKETED

JUL 30 2014

DOCKETED BY

EPCOR Water Arizona ("EPCOR Water") applies for approval of a tariff that grants it a variance from A.A.C. R14-2-410.A.2 for water customers of EPCOR Water who are also wastewater customers of the City of Bullhead City ("City"). Because EPCOR Water is the water provider in parts of the City of Bullhead City, the City cannot shut off wastewater service to collect delinquent wastewater bills unless EPCOR Water is given authority to simultaneously discontinue water service.

In Decisions Nos. 66998 and 68917, the Commission approved variances from A.A.C. R14-2-410.A.2 for a tariff and associated water services termination agreement with the City of Bullhead City, Arizona (Decision No. 66998) and the City of Surprise, Arizona (Decision No. 68917). As authorized by the Commission, those Decisions authorize EPCOR Water to assist those cities in collecting delinquent wastewater bills by discontinuing water service to delinquent wastewater customers.

In the present application, EPCOR Water asks for a similar variance from A.A.C. R14-2-410.A.2 for a tariff associated with a water service termination agreement with the City of Bullhead City ("City of Bullhead City Water Service Restated Termination Agreement") for EPCOR Water's North Mohave Water District customers who are also wastewater customers of the City of Bullhead City.

1 The City of Bullhead City Water Service Restated Termination Agreement is likewise  
2 modeled after the previously approved termination agreements. A copy of this executed restated  
3 Termination Agreement is attached as Exhibit A. A draft tariff for the North Mohave Water  
4 District is attached as Exhibit B. This was modeled on the Commission-approved tariff in  
5 Decision No. 66998 for the Company's Mohave Water District.

6 For the reasons described in Decision Nos. 68917 and 66998, EPCOR Water submits that  
7 a variance from A.A.C. R14-2-410.A.2, the City of Bullhead City Restated Termination  
8 Agreement, and the associated tariff are all in the public interest and requests that they be  
9 approved. EPCOR Water further requests that the Commission authorize it to notify affected  
10 customers by either direct mail or bill insert (at the Company's discretion).

11  
12 RESPECTFULLY SUBMITTED on July 30, 2014.

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15 

16 Sandra L. Murrey  
17 Rate Analyst  
18 EPCOR Water Arizona, Inc.  
19 2355 W. Pinnacle Peak Road, Suite 300  
20 Phoenix, AZ 85027  
21  
22

23  
24  
25  
26 Original and 13 copies **filed**  
27 on July 30, 2014, with:

28  
29 Docket Control  
30 Arizona Corporation Commission  
31 1200 West Washington  
32 Phoenix, Arizona 85007  
33

34 Copies of the foregoing **emailed**  
35 on July 30, 2014, to:

36  
37 Brian K. Bozzo  
38 Compliance and Enforcement Manager  
39 Utilities Division  
40 1200 West Washington Street  
41 Phoenix, AZ 85007  
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# Exhibit A

# WATER SERVICE TERMINATION AGREEMENT

## **- RESTATED AGREEMENT -**

THIS RESTATEMENT TO WATER SERVICES TERMINATION AGREEMENT ("Agreement") between ARIZONA-AMERICAN WATER COMPANY ("Arizona-American"), an Arizona corporation, and the CITY OF BULLHEAD CITY ("City"), an Arizona municipal corporation duly organized and existing under the laws of the State of Arizona (collectively "Parties"), is made this 6<sup>th</sup> of July, 2004:

### RECITALS:

A. On December 2, 2003, the Parties entered into the Agreement under which Arizona-American agrees to terminate water service to a sewer utility service customer of the City who is liable to the City for overdue sewer charges.

B. On February 6, 2004, Arizona-American filed an application for approval of a Water Services Termination Agreement Tariff ("Tariff"), in addition to approval of the underlying Agreement, with the Arizona Corporation Commission ("Commission").

C. On March 12, 2004, the Commission issued Decision No. 66845, suspending Arizona-American's application for a period of ninety (90) days to provide its staff sufficient time to review and analyze the data provided with the application.

D. On May 4, 2004, Commission Staff provided Arizona-American recommended modifications to the proposed Tariff and Agreement between the Parties.

E. On May 5, 2004, the Parties entered into the First Amendment to the Agreement to incorporate Commission Staff's recommended language modifications.

F. Commission Staff have now requested that the Parties provide a Restated Agreement that incorporates the language of the Original Agreement and the language contained in the First Amendment to the Agreement.

**NOW, THEREFORE,** the Parties hereby agree as follows:

1. City may request that Arizona-American terminate water service to a sewer utility service customer of the City who is liable to the City for overdue sewer charges ("Delinquent Customer") by sending a "New Shut Off" request in the form attached hereto as Exhibit A and incorporated herein by this reference to Arizona-American's call center in Alton, Illinois, and local office in Bullhead City, Arizona or to such other additional locations designated by Arizona-American in its sole and absolute discretion. All such requests shall be sent either by electronic mail or facsimile and formally executed by the authorized City official as required by the Ordinance. Requests for termination of water service will be processed by Arizona-American each week on Tuesday afternoon and City may cancel any such request without charge by contacting Arizona-American's call center or such other location designated by Arizona-American prior to 12:00 p.m. CST on the first Tuesday after the request for disconnection is made by City. The City will be charged a \$30.00 fee for each cancellation of a request for termination of water received after 12:00 p.m. CST on the first Tuesday after the request for disconnection is made by City, but before Arizona-American terminates water service.

2. City will pay ninety-two dollars (\$92.00) per delinquent customer to Arizona-American as consideration for Arizona-American taking the necessary steps to terminate water utility service, unless a request for termination is cancelled prior to actual disconnection in accordance with paragraph 1, above. The steps Arizona-American agrees to take are specifically limited to:

- A. Shutting-off the water source to the premises where the Delinquent Customer receives water and sewer utility service ("Premises");
- B. Notifying the City of the shut-off date of water to the Premises;
- C. Keeping a separate record detailing all of the City's requests for termination of water service under this agreement;
- D. Resuming water utility service to the Premises.

City expressly acknowledges and agrees that Arizona-American shall have no other obligations or responsibilities under this Agreement and City further agrees that it will not instruct a Delinquent Customer to contact Arizona-American regarding the termination or subsequent reestablishment of water utility service.

3. City will pay Arizona-American twenty-two dollars (\$22.00) for each Delinquent Customer that has their water service terminated to compensate Arizona-American for the loss of revenue that Arizona-American would have received from each Delinquent Customer if the service had not been terminated. This amount will be reset annually upon renewal of this Agreement. Arizona-American will submit the lost revenue charge for the Premises at the end of Arizona-American's billing period and City will pay the estimated lost revenue to Arizona-American within seven (7) days.

4. In order for Arizona-American to provide this service, the City, in addition to submission of the New Shut Off form, will:

- A. Submit to Arizona-American a list of names and addresses of Delinquent Customers, both residential and landlord ratepayers.
- B. Submit to Arizona-American an itemized bill of delinquent charges ("Delinquent Charges") showing the length of delinquency and the total amount of the Delinquent Charges.
- C. Notify the Delinquent Customer, in writing and by certified mail, and in a form approved by Arizona-American, that water service by Arizona-

American will be terminated ten (10) days after the date of the notification letter due to the delinquent sewer bill.

- D. Post a copy of the written notice at the main entrance to the Premises where the water will be shut off.
- E. Immediately notify Arizona-American, by contacting Arizona-American's call center in Alton, Illinois or to such other location designated by Arizona-American, that the Delinquent Customer has satisfied the Delinquent Charges and that water service can be reestablished.
- F. Notify the Delinquent Customer upon payment of unpaid charges that in order for water service to be reestablished, all water faucets must be turned off.

5. City will indemnify, defend, and hold Arizona-American harmless from and against all claims, losses, liability, costs, or expenses, including reasonable attorney's fees, collectively, ("claims") arising out of the termination of water utility service to Delinquent Customers under this Agreement and the Ordinance.

6. Notwithstanding anything in the foregoing to the contrary, in the event of multiple dwelling units, separately metered for water consumption measurement, but having a common service line, Arizona-American will be exempt from carrying out its obligation under this Agreement unless all of the dwelling units served by the common service line are delinquent.

7. The term of this Agreement will be for a period of one (1) year and will be renewed automatically at the end of each year unless a party provides the other party with a written notice to terminate the agreement. The written notice must be provided to the other party not less than ninety (90) days prior to the annual anniversary date. This Agreement will be in full force and effect following approval by the Commission of the necessary variance from A.A.C. R14-2-410.A.2, which approval Arizona-American shall promptly seek following execution of this Agreement by the City, and will continue until terminated in accordance with the provisions herein set forth. City shall reasonably cooperate and assist Arizona-American in

connection with obtaining approval of the Commission. In the event the Commission fails to approve a variance from A.A.C. R14-2-410.A.2, City and Arizona-American agree that this Agreement shall not become effective and that neither party will have any further responsibility or obligation Arizona out of the Agreement.

8. Neither the City nor Arizona-American will be liable for any loss or damage due to failure or delay in rendering any service or performing any obligation required under this Agreement resulting from any cause beyond their reasonable control including, but not limited to: acts of God, acts or omissions of civil or military authority; acts or omissions of contractors or suppliers; fires; floods; epidemics; quarantine restrictions; severe weather; strikes; embargoes; wars; political strife; riots; delays in transportation; or fuel, power, materials or labor shortages.

9. The failure of either party to enforce the provisions of this Agreement at any time will not constitute a waiver of such provisions in any way and will not limit the right of Arizona-American to avail themselves of such remedies as either may have for any breach or breaches of such provisions. The waiver of any specific provisions or requirement of this Agreement will not constitute a waiver of any other provision or requirement. Any such waiver of any specific provision or requirement of this Agreement will be written and signed by both parties.

10. This Agreement contains the entire agreement between Arizona-American and the City with respect to the subject matter contemplated herein. This Agreement supersedes all previous written and verbal agreements on the subject of this Agreement and will not be amended or modified except in writing signed by all of the parties hereto.

11. This agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12. Any provision of this Agreement that is determined to be prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

13. This Agreement may be executed to one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

14. This Agreement will be construed and enforced in accordance with the laws of the State of Arizona.

15. Any notice, written request, or communication given pursuant to the provisions of this Agreement will be deemed delivered on the date of mailing if mailed by certified or overnight mail addressed as follows:

If to the City:

City of Bullhead City  
Attn: Finance Director  
1255 Marina Boulevard  
Bullhead City, Arizona 86442

If to Arizona-American:

Arizona-American Water Company  
Attn: Mark Clark, Operations Manager  
860 Gemstone Avenue  
Bullhead City, Arizona 86442

or to such other addresses as the parties will have specified by notice in writing in accordance with the terms of this paragraph.

16. Neither party will assign its rights, interests, or obligations under this Agreement without the express written consent of the other party unless such assignment will be made to an affiliate or successor of either party. Any assignment made without such written consent will be void; however, such consent will not be unreasonably withheld.

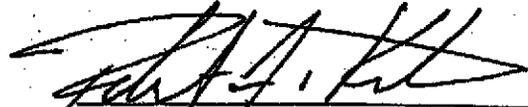
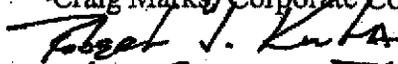
IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto

on the date first written above.

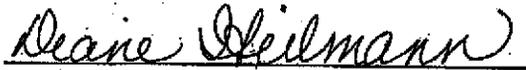
CITY OF BULLHEAD CITY

ARIZONA-AMERICAN WATER  
COMPANY

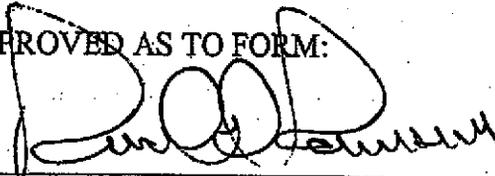
  
Diane Rae Vick, Mayor

  
Craig Marks, Corporate Counsel  
  
R. J. Kuba  
I.P. SERVICE DELIVERY

ATTEST:

  
Diane Heilmann, City Clerk

APPROVED AS TO FORM:

  
Ronald C. Ramsey, City Attorney



# Exhibit B

