



0000155940

**Thomas J. Bourassa**  
CERTIFIED PUBLIC ACCOUNTANT

139 W. Wood Drive  
Phoenix, Arizona 85029

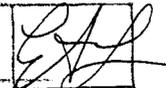
September 12, 2014

James Armstrong  
Chief, Financial and Regulatory Section  
Utilities Division  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007-2927

Arizona Corporation Commission

**DOCKETED**

SEP 16 2014

DOCKETED BY 

**ORIGINAL**

AZ CORP COMMISSION  
DOCKET CONTROL

2014 SEP 16 P 12:18

RECEIVED

Re: Red Rock Utilities, LLC  
Application for rate increase - Docket No. WS-04245A-14-0295

Dear Mr. Armstrong,

In reference to the Letter of Deficiency dated September 3, 2014, the Company hereby submits responses to Staff's deficiency items as follows:

1. Bill Count - Schedule H-1, Line 12, of your application shows that the bill count produces \$343,833 of adjusted metered revenue. However, Schedule C-1, Line 1, shows actual test year metered water revenue of \$359,204, a difference of \$15,371. Further, on page 12, line 22 of Mr. Bourassa's Direct Testimony; he indicates that this \$15,371 relates to revenue accruals. In regards to the \$15,371 amount, please answer or provide the following:
  - a. Please explain why more revenues are recorded in the general ledger than produced by the bill count.
  - b. Please state whether or not the revenue accruals are "unbilled revenues".
    1. If yes, please provide copies of journal entries and supporting documentation.
    11. If not, please explain the nature of these revenue accruals and provide copies of journal entries and supporting documentation.

Company Response - (a) At the end of 2013, the Company reconciled its accounts receivable (A/R) detail balance from Global Water (the Company's billing and collection servicer) to the Company's general ledger balance. This was not done in prior years. To balance the Company's general ledger A/R balance to the A/R detail balance, the Company increased the general ledger A/R balance by \$15,371 (a debit) and increased revenues by \$15,371 (a credit).

The bill count for the test year reflects the actual billings and revenue for the test year. The \$15,371 of additional revenue recorded in the test year to adjust the general ledger A/R balance (to reconcile to the A/R detail) reflects prior year revenues that were not recorded. The \$15,371 revenues should not be included in the test year revenues for rate making purposes as inclusion will overstate test year revenues.

(b) The unbilled revenues are the "accrued revenues" discussed in (a), above. See response to (a) above.

2. Standpipe/Bulk Rate (Water) - Schedule H-3, Page 1 of your application shows a standpipe bulk rate of \$4.25 for the present rate. However the tariff rate per Decision 67409 is \$3.90. Please correct this page and re-file.

Company Response – Please see the attached revised Schedule H-3, Page 1.

3. Establishment Charge (Wastewater) - Schedule H-3, Page 2 of your application shows a establishment charge of \$15.00. However the tariff rate per Decision 67409 is \$25.00. Please correct this page and re-file.

Company Response – Please see the attached revised Schedule H-3, Page 2.

4. Monthly Water Usage Data - Please provide monthly water usage data including number of metered customers, water sold (in gallons), water pumped (in gallons), hydrant flushing (in gallons) and mains flushing (in gallons), etc. during the test year.

Company Response – Please see the attached monthly usage data.

5. Plant Descriptions - Please provide plant descriptions for water and wastewater divisions.

Company Response – Please see the attached plant descriptions.

6. Monthly Wastewater Flow Data -Please provide monthly wastewater flow data including number of served customers, wastewater flow (in gallons per day), peak days flow (in gallons per day), etc. during the test year.

Company Response – Please see the attached monthly wastewater flow data.

7. MAP Invoices -Please provide copies of 2014 ADEQ MAP invoices.

Company Response – Please see the attached copies of the MAP invoices.

If you have any questions, or require further assistance, please contact me at 602-246-7150.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Bourassa', with a long horizontal flourish extending to the right.

Thomas J. Bourassa, CPA

Cc: Mark Weinberg, Red Rock Utilities, LLC  
Larry Robertson, Attorney for Red Rock Utilities, LLC

**Red Rock Utilities, LLC - Water Division**  
Test Year Ended December 31, 2013  
Present and Proposed Rates

Line No.	Monthly Usage Charge for:	Present Rates	Proposed Rates	Change	Percent Change
1	Meter Size (All Classes, except Standpipe/Bulk):				
2	5/8x3/4 Inch	\$ 25.00	\$ 25.00	\$ -	0.00%
3	3/4 Inch	37.50	37.50	-	0.00%
4	1 Inch	62.50	62.50	-	0.00%
5	1 1/2 Inch	125.00	125.00	-	0.00%
6	2 Inch	200.00	200.00	-	0.00%
7	3 Inch	375.00	400.00	25.00	6.67%
8	4 Inch	625.00	625.00	-	0.00%
9	6 Inch	1,250.00	1,250.00	-	0.00%
10					
11					
12	Gallons In Minimum (All Classes, except irrigation)				
13					
14					
15					
16					
17					
18	<u>Commodity Rates</u>				
19					
20	5/8x3/4 Inch - All Classes, Except Irrigation				
21					
22					
23					
24	3/4 Inch and Larger - All Classes, Except Irrigation				
25					
26					
27					
28	Irrigation - All Meter Sizes				
29					
30	Standpipe/Bulk				
31					
32					
33					
34					
35					
36					
37					
38					
39	NT = No Tariff				
40					

		(Per 1,000 gallons)	
	Block	Present Rate	Proposed Rate
	1 gallons to 5,000 gallons	\$ 2.40	\$ 2.50
	5,001 gallons to 10,000 gallons	\$ 3.15	\$ 3.40
	over 10,000 gallons	\$ 3.90	\$ 4.25
	1 gallons to 5,000 gallons	\$ 3.15	\$ 3.40
	over 5,000 gallons	\$ 3.90	\$ 4.25
	Over Minimum up to 20,000 gallons	\$ 3.15	\$ 3.40
	Over 20,000 gallons	\$ 3.90	\$ 4.25
	All gallons	\$ 3.90	\$ 4.25

**Red Rock Utilities, LLC - Wastewater Division**  
 Changes in Representative Rate Schedules  
 Test Year Ended December 31, 2013

Exhibit  
 Schedule H-3  
 Page 2  
 Witness: Bourassa  
 Revised

Line No.	<u>Other Service Charges</u>	Present Rates	Proposed Rates
1	Establishment (collected only if customer sewer only)	\$ 25.00	\$ 25.00
2	Re-establishment (within 12 months)	**	**
3	Reconnection (Delinquent)	\$ 30.00	\$ 30.00
4	Minimum Deposit	*	*
5	NSF Check	\$ 25.00	\$ 25.00
6	Late Payment Penalty (per month)	1.50%	1.50%
7	Deferred Payment Finance Charge	1.50%	1.50%
8	Service Calls - Per Hour/After Hours(a)	\$ 50.00	\$ 50.00
9			
10			
11			
12			
13	* Per Commission Rule A.A.C. R-14-2-603(B)		
14	** Per Commission Rule A.A.C. R14-2-603(D) - Months off the system times the monthly minimum.		
15			
16			
17			
18	IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM		
19	ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE		
20	TAX. PER COMMISSION RULE 14-2-608D(5).		
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			

<b>COMPANY NAME:</b> Red Rock Utilities, LLC	
<b>Name of System:</b> Red Rock Utilities, LLC	<b>ADEQ Public Water System Number:</b> 11-160

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	609	2,778	3,161	0
FEBRUARY	609	3,070	2,627	0
MARCH	612	2,671	4,196	0
APRIL	612	3,624	4,092	0
MAY	621	6,060	6,680	0
JUNE	626	4,911	6,276	0
JULY	628	7,155	5,632	0
AUGUST	634	4,775	5,803	0
SEPTEMBER	641	5,685	4,773	0
OCTOBER	644	4,092	4,883	0
NOVEMBER	644	4,823	3,596	0
DECEMBER	644	3,004	3,137	0
<b>TOTALS →</b>		<del>52,647</del>	54,856	0

What is the level of arsenic for each well on your system? Well #1 0.002 mg/l  
*(If more than one well, please list each separately.)* Well #2 0.002 mg/l

If system has fire hydrants, what is the fire flow requirement? 1,500 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
 Yes                       No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
 Yes                       No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
 Yes                       No

If yes, provide the GPCPD amount: \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

**COMPANY NAME** Red Rock Utilities, LLC

**Name of System:** Red Rock Utilities, LLC **ADEQ Public Water System Number:** 11-160

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-599556	75	750	800	16"	6"	2003
55-599557	75	750	900	16"	6"	2003

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	1	64	
20	1		
50	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
900,000	1	5,000 GLN	2

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME Red Rock Utilities, LLC

Name of System: Red Rock Utilities, LLC

ADEQ Public Water System Number: 11-160

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	0	
3	0	
4	0	
5	0	
6	C900	142
8	C900 PVC	28,247
10	0	
12	C900 PVC	12,980
6	Ductile (DIP)	2,130
12	Ductile (DIP)	735

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	635
3/4	
1	4
1 1/2	1
2	4
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

**TREATMENT EQUIPMENT:**

Ion Exchange / Removal

Water Treatment plant for Nitrate removal / remediation utilizing an Ion Exchange process at Well #1.

**STRUCTURES:**

CL 2 Building

**OTHER:**

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*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b> Red Rock Utilities, LLC
<b>Name of System:</b> Red Rock Utilities, LLC <b>Wastewater Inventory Number (if applicable):</b> 105421

**WASTEWATER COMPANY PLANT DESCRIPTION**  
**TREATMENT FACILITY**

<b>TYPE OF TREATMENT</b> (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	SBR Sequential Batch Reactor
<b>DESIGN CAPACITY OF PLANT</b> (Gallons Per Day)	0.300 MGD

**LIFT STATION FACILITIES**

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
33786 Spirit Lane (WRF)	2	15	625	4,680

**FORCE MAINS**

Size	Material	Length (Feet)
4-inch	None	
6-inch	None	
8-inch	Ductile Iron	60 Ft

**MANHOLES**

Type	Quantity
Standard	155
Drop	0

**CLEANOUTS**

Quantity
6

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

**COMPANY NAME** Red Rock Utilities, LLC

**Name of System:** Red Rock Utilities, LLC **Wastewater Inventory Number (if applicable):** 105421

**WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**COLLECTION MAINS**

**SERVICES**

Size (in inches)	Material	Length (in feet)
4		
6		
8	SDR 35 PVC	58,128
10		
12	SDR 35 PVC	2,670
15	SDR 35 PVC	1,542
18	SDR 15 PVC	6,314
21		
24	Ductile Iron (DIP)	60
30		
18	Ductile	308

Size (in inches)	Material	Quantity
4	PVC	768
6	PVC	2
8		
12		
15		

**FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY  
PER WASTEWATER SYSTEM**

<b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>	Noxon Centrifuge
<b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)	Sun Light Systems Ultra Violet Light
<b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Miami Filters Sand Filter
<b>STRUCTURES</b> (Buildings, Fences, Etc.)	Red Rock WRF Operations Building
<b>OTHER</b> (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	Incubator, Muffle Furnace, Laboratory, Refrigerator, Oven, Nitrate Analyzer, PH Analyzer, Electronic Scale, Generac 350 KW Standby Generator

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME Red Rock Utilities, LLC

Name of System: Red Rock Utilities, LLC Wastewater Inventory Number (if applicable): 105421

**WASTEWATER FLOWS**

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January	586	2,066,000	96,332 GPD
February	587	1,824,000	77,010
March	589	1,986,000	88,389
April	589	1,942,000	78,107
May	594	2,007,000	89,472
June	599	1,840,000	85,633
July	601	2,034,000	83,585
August	609	2,088,000	88,462
September	616	2,039,000	91,847
October	619	2,133,000	85,197
November	619	2,340,000	86,667
December	619	2,136,000	92,076

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE  
PER WASTEWATER SYSTEM**

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Surface Water Discharge
Groundwater Permit Number	
ADEQ Aquifer Protection Permit Number	P-105621
ADEQ Reuse Permit Number	R105978
EPA NPDES Permit Number	AZ0025143

*Note: If you are filing for more than one system, please provide separate sheets for each system.*



# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY



Janice K. Brewer  
Governor

1110 West Washington Street Phoenix, Arizona 85007  
(602) 771-2300 www.azdeq.gov

Henry R. Darwin  
Director

Bill ID: 0103369  
Customer ID: 20831S

**RED ROCK UTILITIES LLC**

Billing Period: November 21, 2013 - December 20, 2013  
Payment Due Date: January 31, 2014

2200 E RIVER RD  
TUCSON, AZ 85718

### ACCOUNT SUMMARY

Account ID	Fee Code	Balance Carried Forward	Current Amount	Payments / Credits	Total Amount
B2013854	MAP Monitoring Assistance Program	\$0.00	\$1,740.60	\$0.00	\$1,740.60
<b>TOTAL:</b>		\$0.00	\$1,740.60	\$0.00	\$1,740.60

### AGING SUMMARY

Current Charges	(1-30 days)	(31-60 days)	(61-90 days)	(91-120 days)	(Over 120 days)	Balance
\$1,740.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,740.60

\* All payments received and not specifically allocated on the REMITTANCE ADVICE will be applied to the oldest amount due until fees are paid and then applied to interest.

Retain for your record

If you have submitted your payment after the 20th of the month and before the due date, please disregard this Bill.

**Account Details for Account ID: B2013854**Bill ID: 0103369  
Customer ID: 20831S

Fee Code	MAP Monitoring Assistance Program
PWS ID	11160 - RED ROCK UTILITIES
Charges Since 11/21/2013	\$1,740.60
Interest Charges Since 11/21/2013	\$0.00
Balance Carried Forward	\$0.00
Payments	\$0.00
Other Credits	\$0.00
<b>TOTAL:</b>	<b>\$1,740.60</b>

**Program Contact:**  
Name: Mary Kaye Black  
Phone: (602) 771-4518 or (800) 234-5677

**AGING SUMMARY**

Current Charges	(1-30 days)	(31-60 days)	(61-90 days)	(91-120 days)	(Over 120 days)	Balance
\$1,740.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,740.60

**INVOICE DETAIL**

Pursuant to A.R.S. 49-360 F and A.A.C. R18-4-304 and R18-4-305, "The director shall establish fees for the monitoring assistance program to be collected from all public water systems..."

Invoice Period 2014

Invoice Number 0000165796X

LTF No.

Date 12/10/2013

Item Code	Description	
MAP	MAP - Base Charge	\$250.00
MAP	MAP - Annual Fee Per Connection	\$1,490.60
<b>Current Invoice Total:</b>		<b>\$1,740.60</b>

**Retain for your record****If you have submitted your payment after the 20th of the month and before the due date, please disregard this Bill.**



Janice K. Brewer  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street Phoenix, Arizona 85007  
(602) 771-2300 www.azdeq.gov



Henry R. Darwin  
Director

**RED ROCK UTILITIES LLC**

2200 E RIVER RD  
TUCSON, AZ 85718

Billing Period: November 21, 2013 - December 20, 2013  
Payment Due Date: January 31, 2014

## Remittance Advice

Bill ID:0103369  
Customer ID:20831S

**Please return this page with your payments to:**

Arizona Department of Environmental Quality  
P.O. Box 18228  
Phoenix, AZ 85005

**Please make checks payable to: State of Arizona**

Account ID	Fee Code	Invoice Number	Amount Due	Payment Enclosed*
<b>B2013854</b> 11160 - RED ROCK UTILITIES	MAP Monitoring Assistance Program	0000165796X	\$1,740.60	<input type="checkbox"/>
<b>TOTAL:</b>			<b>\$1,740.60</b>	<input type="checkbox"/>

\* All payments received and not specifically allocated on the REMITTANCE ADVICE will be applied to the oldest amount due until fees are paid and then applied to interest.

**For ADEQ use only:**

Check #: \_\_\_\_\_  
Received Date: \_\_\_\_\_  
Post Marked: \_\_\_\_\_  
Site Code: \_\_\_\_\_  
Entered By: \_\_\_\_\_

**If you have submitted your payment after the 20th of the month and before the due date, please disregard this Bill.**



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

MONITORING ASSISTANCE PROGRAM

ANNUAL SAMPLING FEE INVOICE

Received Accounting 03/2013

\* Pursuant to A.R.S. § 49-113, interest will be charged if full payment is not received by the specified due date. If you dispute the amount listed, please contact ADEQ as soon as possible. To reduce interest costs on an unpaid invoice, you may remit an amount that you believe is not in dispute. However, if nonpayment is due to willful neglect, you may suffer an additional five percent penalty of up to twenty-five percent of the amount due for each month or fraction of a month the amount is past due.

If you have any questions about your invoice, contact Mary Kaye Black at (602) 771-4518 or toll-free within Arizona at (800) 234-5677, extension 771-4518.

Pursuant to A.R.S. § 49-360 F and A.A.C. R18-4-304 and R18-4-305, "The director shall establish fees for the monitoring assistance program to be collected from all public water systems..."

Table with invoice details: Owner Id #: 20831, Invoice Number 69213, To: RED ROCK UTILITIES LLC, Ste 115, 2200 E River Rd, TUCSON AZ 85718-6577, Public Water System ID #: 11160, Billing for Calendar Year: 2013, Due Date: March 18, 2013, Total Amount Due: \$ 1,740.60, Amount Paid: \$

↑ Keep the top portion for your records. ↑

ADEQ Federal Tax #S66004791

↓ This entire bottom portion must be returned to ADEQ. ↓

ADEQ Federal Tax #S66004791

Annual Sampling Fee Invoice

Invoice # 69213

Table with company and invoice details: RED ROCK UTILITIES LLC, 2200 E River Rd, Ste 115, TUCSON AZ 85718-6577, Owner Id #: 20831, MAP, Billing for Calendar Year: 2013, Due Date: 03/18/2013, 11160 - Red Rock Utilities Llc

ANNUAL SAMPLING FEE WORKSHEET

Handwritten notes: DOK 02/13/13 WATER - COMPLIANCE (LAB) ANNUAL FEE - SAMPLED ONCE EVERY THREE YEARS

Table with fee breakdown: Base Fee (all MAP systems) \$ 250.00, Fee per Connection in 2013 580 connections X \$ 2.57 \$ 1,490.60, Total Sampling Fee \$ 1,740.60, Plus Paid Interest Charges and/or Other Adjustments \$ 0.00, Plus Unpaid Interest Charges as of 01/31/2013 \$ 0.00, Minus Payments Received and/or Other Adjustments \$ 0.00, Amount Due \$ 1,740.60, Amount received by ADEQ (Make check payable to State of Arizona) \$

\* A \$12 fee will be charged for any check not honored by the bank.

Do not write below this line

Make your check or money order payable to State of Arizona THIS FORM MUST ACCOMPANY YOUR REMITTANCE.

Mail to: Arizona Department of Environmental Quality, PO Box 18228, Phoenix, AZ 85005

Form with fields: Check Number, Received, Postmarked, Entered

GGC 01/31/2013 WM300G3