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BEFORE THE ARIZONA CORPORATION COMMISSION

SUSAN BITTER SMITH
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
DOUG LITTLE
Commissioner
TOM FORESE
Commissioner

Arizona Corporation Commission
DOCKETED
MAY 19 2015

DOCKETED BY 

IN THE MATTER OF THE APPLICATION
OF VALLEY UTILITIES WATER
COMPANY, INC., AN ARIZONA
CORPORATION, FOR A DETERMINATION
OF THE FAIR VALUE OF ITS UTILITY
PLANT AND PROPERTY AND FOR AN
INCREASE IN ITS RATES AND CHARGES
FOR UTILITY SERVICE BASED THEREON

DOCKET NO. W-01412A-12-0195
DECISION NO. 75086
ORDER

Open Meeting
May 12 and 13, 2015
Phoenix, Arizona

BY THE COMMISSION

FINDINGS OF FACT

1. Valley Utilities Water Company, Inc. ("Valley" or "Company") is a class B public service corporation engaged in providing water utility service to over 1,400 customers in the State of Arizona.
2. On January 23, 2015, Valley filed a motion with the Arizona Corporation Commission ("Commission") requesting discontinuation of the Company's arsenic impact fee ("AIF") tariff and the associated annual financial status report. The AIF was initially approved in Decision No. 67669 (March 9, 2005) and reaffirmed in Decision No. 68309 (November 14, 2005).
3. On June 27, 2013, the Arizona Commission issued Decision No. 73913 granting Valley a rate increase. As part of the Decision, the Commission ordered that Valley file with Docket Control, as a compliance item in this docket within 45 days of the effective date of the Decision, a

1 document proposing either the cancellation of Valley's AIF Tariff or another means of resolving the
2 AIF Tariff so that it is not permitted to continue indefinitely.

3 4. Pursuant to Decision No. 73913, on July 19, 2013, Valley filed Plan of Administration
4 so that the Company's AIF can either be cancelled or otherwise resolved so that it does not continue
5 indefinitely.

6 5. On August 28, 2013, Staff recommended in its Staff Report that the AIF remains in
7 effect until further order of the Commission. The Company is now seeking to discontinue the AIF.

8 **Staff's Analysis**

9 6. Valley is a class B Arizona public service corporation engaged in providing water utility
10 service to over 1,400 customers. The Company services a community located in Maricopa County,
11 just east of Luke Air Force Base in the Phoenix West Valley. Valley's current rates were approved in
12 Decision No. 73913, dated June 27, 2013.

13 7. The AIF was initially approved in Decision No. 67669 (March 9, 2005) and reaffirmed
14 in Decision No. 68309 (November 14, 2005). The arsenic impact fee was to be treated the same as an
15 off-site hook-up fee in that once the funds are expended, they would be considered contributions-in-
16 aid-of-construction.

17 8. On January 23, 2015, Valley filed a motion with the Commission requesting
18 discontinuation of the Company's AIF tariff and the associated annual financial status report. Valley
19 indicates in its motion that it has collected \$124,772.53 since 2011, which includes \$65,052.53
20 collected in 2014, to pay for the completion of the Company's arsenic treatment facilities at both its
21 Glendale and Bethany Home locations. As a result, the Company indicates that the AIF Tariff is no
22 longer needed and should be discontinued in accordance with the Company's Plan of Administration
23 filed in July 10, 2013.

24 9. The Company collected and expended \$461,153 while the Commission initially
25 authorized \$1,926,100 for the construction of the arsenic treatment facilities. The Company stopped
26 collection of the AIF on December 11, 2014.

27 10. Decision No. 73913, (June 27, 2013) required that Valley to file within 45 days after
28 the effective date of the Decision, a document proposing either cancellation of the AIF or another

1 means of resolving the AIF so that it does not continue indefinitely. That Decision also required Staff
 2 to review the filing by Valley and issue a Staff Report within 60 days after the date of the Company's
 3 filing. The Company filed a plan of administration ("POA") on July 10, 2013 proposing that the AIF
 4 would terminate automatically once an agreed upon amount is collected by the AIF. Staff filed its
 5 report on August 28, 2013, with the recommendation that the Company continue collecting AIF until
 6 such time that the Company can recover costs incurred for the construction of its arsenic treatment
 7 facilities. Staff recommended that that AIF remain in effect until further order of the Commission.

8 11. Staff has reviewed the information supplied by the Company and has determined that
 9 the Company collected and expended \$461,153 in AIF from 2005 to 2014 for the construction of its
 10 arsenic treatment facilities at Bethany Hills West facility and Glendale Well Yard facility. The
 11 Company also collected \$16,362 in interest income. Further, Staff notes that the fair value rate base
 12 determined in Decision No. 73913 in the amount of \$2,109,695 will be unaffected by the outcome of
 13 this filing.

14 **Recommendation**

15 12. Staff recommends that Valley's AIF Tariff and the associated annual financial status
 16 report be discontinued.

17 CONCLUSIONS OF LAW

18 1. Valley Utilities Water Company, Inc. is a public service corporation within the meaning
 19 of Article XV, Section 2, of the Arizona Constitution.

20 2. The Commission has jurisdiction over Valley Utilities Water Company, Inc. and of the
 21 subject matter of the Application.

22 3. The Commission, having reviewed the filing and Staff's Memorandum dated April 30,
 23 2015, concludes that it is in the public interest to approve the proposed discontinuation of AIF tariff
 24 and the associated annual financial status report.

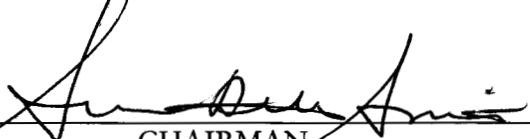

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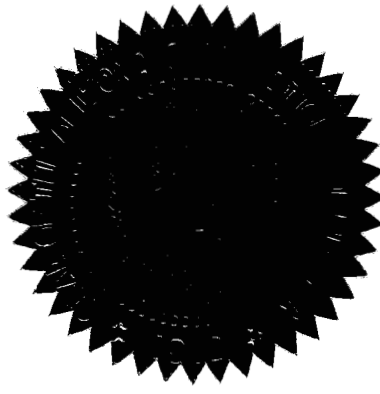
ORDER

IT IS THEREFORE ORDERED that the Valley Utilities Water Company, Inc. AIF tariff and the associated annual financial status report are hereby discontinued.


BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

	
CHAIRMAN	COMMISSIONER

		
COMMISSIONER	COMMISSIONER	COMMISSIONER



IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 19th day of May, 2015.



 JODI JERICH
 EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:BCA:vsc\WVC

1 SERVICE LIST FOR: VALLEY UTILITIES WATER COMPANY, INC.
2 DOCKET NO.: W-01412A-12-0195

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