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ORIGINAL

7 BEFORE THE ARIZONA CORPORATION COMMISSION

9 COMMISSIONERS

10 SUSAN BITTER SMITH, CHAIRMAN
11 BOB STUMP
12 BOB BURNS
13 TOM FORESE
14 DOUG LITTLE

Arizona Corporation Commission
DOCKETED
SEP 25 2015

DOCKETED BY 

14 IN THE MATTER OF THE APPLICATION OF
15 INDIADA WATER COMPANY, INC., FOR
16 APPROVAL OF A PERMANENT INCREASE
17 IN ITS WATER RATES.

DOCKET NO. W-02031A-10-0168

17 IN THE MATTER OF THE APPLICATION OF
18 ANTELOPE RUN WATER COMPANY FOR
19 APPROVAL OF A PERMANENT INCREASE
20 IN ITS WATER RATES.

DOCKET NO. W-02327A-10-0169

21 IN THE MATTER OF THE APPLICATION OF
22 BOB B. WATKINS DBA EAST SLOPE
23 WATER COMPANY FOR APPROVAL OF
24 ITS PERMANENT INCREASE IN ITS
25 WATER RATES.

DOCKET NO. W-01906A-10-0170

25 IN THE MATTER OF THE APPLICATION OF
26 BOB B. WATKINS DBA EAST SLOPE
27 WATER COMPANY, INDIADA WATER
28 COMPANY, INC., AND ANTELOPE RUN
WATER COMPANY FOR APPROVAL OF A
TRANSFER OF ASSETS AND

DOCKET NO. W-01906A-10-0171
DOCKET NO. W-02031A-10-0171
DOCKET NO. W-02327A-10-0171

1 CERTIFICATES OF CONVENIENCE AND
2 NECESSITY.

3
4 IN THE MATTER OF THE APPLICATION OF
5 BOB B. WATKINS DBA EAST SLOPE
6 WATER COMPANY FOR AUTHORITY TO
7 INCUR LONG-TERM DEBT.

DOCKET NO. W-01906A-10-0183

8
9 IN THE MATTER OF THE APPLICATION OF
10 INDIADA WATER COMPANY, INC. FOR
11 AUTHORITY TO INCUR LONG-TERM
12 DEBT.

DOCKET NO. W-02031A-10-0184

13
14 IN THE MATTER OF THE APPLICATION OF
15 ANTELOPE RUN WATER COMPANY FOR
16 AUTHORITY TO INCUR LONG-TERM
17 DEBT.

DOCKET NO. W-02327A-10-0185

**NOTICE OF COMPLIANCE
RE INTERCONNECTION
AGREEMENT**

18 In compliance with Arizona Corporation Commission Decision No. 75172, the
19 East Slope Water Company hereby files its interconnection agreement with Pueblo Del
20 Sol. *See* Attachment 1.

21 RESPECTFULLY SUBMITTED this 25th day of September, 2015.

22 **MOYES SELLERS & HENDRICKS LTD.**

23 

24 Steve Wene

25
26 Original and 13 copies of the foregoing
27 filed this 25th day of September, with:
28

1 Docket Control
2 Arizona Corporation Commission
3 1200 West Washington
4 Phoenix, Arizona 85007

5 Donnelly Herbert
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ATTACHMENT 1

TEMPORARY INTERCONNECTION AGREEMENT
Potable Water System

This *Temporary Interconnection Agreement* ("Agreement") is entered into this 17 day of September, 2015, by and between the Pueblo Del Sol Water Company, Inc. ("PDS"), and East Slope Water Company, Inc. ("East Slope").

RECITALS

- A. Over the past decade, due to decreasing well capacity or failure, East Slope's total well capacity has fallen to approximately 215 gallons per minute. Consequently, during high water demand periods during the summer, East Slope customers have been subject to water use curtailment.
- B. During the summer months, East Slope needs approximately 60 gallons per minute of additional capacity to meet its demand. Further, to address an emergency outage of its largest well at any time, East Slope needs approximately 90 gallons per minute if and when an unplanned outage of a large production well occurs.
- B. In 2010, East Slope began the process to finance well improvements to increase capacity by drilling a replacement well.
- C. Unfortunately, due to unforeseen complications and regulatory constraints, East Slope at the present time does not have the financing necessary to drill the much needed replacement well.
- D. To alleviate the water shortage issues, East Slope has proposed an interconnection with PDS whereby PDS would provide temporary emergency water service to East Slope to help meet the peak demand of the East Slope customers. In exchange, East Slope would pay PDS for the water provided pursuant to this Agreement.
- E. The Arizona Corporation Commission has approved East Slope's proposal in Decision No. 75172 and has ordered East Slope to enter into the proposed interconnection agreement with PDS by no later than November 2, 2015.
- F. In specific consideration of PDS providing service to East Slope, East Slope agrees, to certain covenants to PDS regarding East Slope's proposed use of said water service.

AGREEMENT

- 1.0 **Connection.** PDS agrees East Slope may, subject to PDS's reasonable approval of the plans and specifications for such work and subject to East Slopes' procurement of all necessary governmental permits and approvals for such work, construct a metered and valve-controlled interconnection between its two systems at the sole cost and expense of East Slope.

- 2.0 Water Service.** The water service shall be designated as a Temporary Emergency Service. Temporary Emergency Service means the provision, in conformity with all applicable law, of potable water by PDS to East Slope shall be through a metered and dual valve-controlled interconnection between East Slope and PDS. The interconnection shall normally be closed and shall, subject to all terms and conditions set forth in this Agreement, be opened by PDS and by East Slope when East Slope's customer demand exceeds East Slope's capacity, which constitutes an "emergency" for purposes of this Agreement.
- 3.0 Activation.** The service connection shall be activated only during emergencies, as defined in Section 2.0. When an emergency occurs, East Slope will notify PDS immediately and request that PDS staff activate service as quickly as is reasonable and practical. Both the PDS and East Slope will be required to open their respective valves in order to activate service as soon as possible when an emergency exists.
- 4.0 Duration.** During times of emergency service, East Slope agrees to diligently work to reestablish its own water supply.
- 4.1 The metered account can be periodically reviewed by either Party for activity, demand usage, and frequency of use, for any reason. If any misuse occurs, the other Party may discontinue service immediately.
- 4.2 PDS will have the right at all times to monitor its existing system for the emergency service's effect(s) upon pressure, quality and operation, so as to insure there is no detrimental effect on the standard of service historically enjoyed by PDS's customers in the area.
- 5.0 No Representations of Warranties.** No representations or warranty(ies), whether expressed or implied, of any kind are made or given by PDS in this Agreement, including, but not limited to, water quality or whether sufficient pressure or capacity is or will be available to East Slope for any specific use which may depend on certain minimums, such as, but not limited to, fire services, hydrants or sprinklers.
- 6.0 Service as Available.** Pressure and supply from PDS to East Slope will be on an "as available" basis, as determined in PDS's sole judgement after PDS has satisfied all delivery requirements for its primary service area.
- 6.1 East Slope agrees to accept the service at the pressure and flow delivered by PDS.
- 6.2 East Slope will be responsible to boost or reduce pressures as desired, for East Slope preference or requirement within its own service area.
- 7.0 Meter Location.** The interconnection meter shall be a TBD meter. East Slope shall provide PDS engineered plans identifying the location of the interconnection. PDS has the right to approve or revise the interconnection point. PDS will make the final site determination.

- 8.0 Charges.** When the interconnection is in use, East Slope will, within thirty (30) days following the delivery to East Slope of a statement of charges, pay PDS's then-current tariff monthly use (sometimes referred to as a meter or base fee) and commodity charges to PDS for all water delivered pursuant to this Agreement.
- 8.1 East Slope will purchase and install the interconnection meter, backflow assembly, and pipeline extensions necessary to interconnect with the PDS system at no cost or expense to PDS.
- 8.2 No service line or meter installation charges will be paid to PDS by East Slope.
- 8.3 During monthly billing periods when East Slope does not receive water from PDS, East Slope will not incur any monthly use or commodity charges.
- 8.4 Pipeline extension and water system improvements, including all materials and installation of valves, pumping plants, interconnections and easement acquisitions, required to reach East Slope's service area are the responsibility of East Slope. All plans, construction and components shall meet PDS standards and shall be the property of the PDS.
- 9.0 Limitations.** If material adverse effects result from this emergency service, and cannot be immediately corrected, PDS may discontinue service until such effects are resolved.
- 10.0 Term of Agreement.** This Agreement will terminate the earlier of: (a) three (3) years from the date of execution of this Agreement or, (b) a date mutually agreed to by the Parties.
- 11.0 Entire Agreement/Modifications in Writing.** This Agreement is the entire Agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements and understandings, whether oral or written, between the parties with respect to the matters contained in this Agreement. Any waiver, modification, consent or acquiescence with respect to any provision of this Agreement shall be set forth in writing and duly executed by or on behalf of the party to be bound thereby. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.
- 12.0 Reciprocal Service.** If PDS requires temporary emergency water service and East Slope can provide such service, then, to the extent allowed by law, East Slope will provide PDS such service under the same, or reasonably similar, conditions as set forth in this Agreement.
- 13.0 Certification.** East Slope certifies that that emergency service from PDS will only be requested or needed in times of emergency, as defined in Section 2.0.
- 14.0 Hold Harmless.** East Slope shall indemnify, defend and hold harmless PDS, its officials, staff, boards, committees, and commissions for, from and against any and all claims, losses, liabilities, damages, expenses, costs, actions, causes of action, suits, proceedings, demands, rights and other compensation, including reasonable attorneys' fees (collectively, "Claims") for any damage to property (real or personal) or injury to

persons, including death, which arise or are alleged to have arisen, in whole or in part, as a result of the delivery or non-delivery by PDS of water service pursuant to this Agreement, including but not limited to excess or deficient water pressure and water quality.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed, all as of the date first above written.

EAST SLOPE WATER COMPANY


Bonnie O'Connor, Secretary

Date 9/17/2015

PUEBLO DEL SOL


Date _____

By: L. WHITAKER

P.S. CAFFARU

Title: Pres., CAFFARU = Co-Exec

SVP CAFFARU = Co-Exec.