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COMMISSIONERS

DOUG LITTLE, Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

IN THE MATTER OF THE APPLICATION OF
CHAPARRAL CITY WATER COMPANY FOR
APPROVAL OF A TARIFF FOR SHARING
CUSTOMER WATER CONSUMPTION
INFORMATION WITH FOUNTAIN HILLS
SANITARY DISTRICT, A MUNICIPAL
PROVIDER OF WASTEWATER SERVICES.

DOCKET NO. W-02113A-16-0164

DECISION NO. 75709

NOTICE OF COMPLIANCE FILING -
AGREEMENT

In compliance with Decision No. 75709, Chaparral City Water Company filed a revised tariff relating to the Agreement to Provide Water Consumption Information of Shared Customers with the Fountain Hills Sanitary District on September 23, 2016. This filing is to provide the agreement that was omitted, with Docket Control as an addendum to the revised tariff filing of September 23, 2016. The Agreement is attached in Exhibit A.

RESPECTFULLY SUBMITTED on September 30, 2016.

Sandra L. Murrey

Sandra L. Murrey
Rate Analyst
EPCOR Water Arizona, Inc.
2355 W. Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

Arizona Corporation Commission
DOCKETED

SEP 30 2016

DOCKETED BY
EM

1 Original and 13 copies **filed**
2 on September 30, 2016, with:
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4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington
7 Phoenix, Arizona 85007
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9 Copies of the foregoing **emailed**
10 on September 30, 2016, to:
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12 Barbara Keene
13 Compliance Manager
14 Utilities Division
15 1200 West Washington Street
16 Phoenix, AZ 85007
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EXHIBIT A

**AGREEMENT TO PROVIDE WATER CONSUMPTION
INFORMATION OF SHARED CUSTOMERS**

This AGREEMENT is made this 18th day of April, 2016, by and between Chaparral City Water Company, an Arizona corporation ("CCWC"), and Fountain Hills Sanitary District, a duly organized and existing under the laws of the State of Arizona ("Sanitary District").

RECITALS:

- A. CCWC provides water utility service under a Certificate of Convenience and Necessity ("CC&N") issued by the Arizona Corporation Commission (the "Commission"), and the Sanitary District provides wastewater utility service to certain of those CCWC's customers ("Shared Customers");
- B. The Sanitary District has requested that CCWC provide information to the Sanitary District regarding customer water consumption in order to assist the Sanitary District in billing for wastewater utility services to its customers described above; and
- C. CCWC and the Sanitary District desire to enter into a written agreement specifically setting forth the duties, obligations, responsibilities, and liabilities of each party to the other.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, CCWC and the Sanitary District, in each case intending to be legally bound by this Agreement, do hereby agree as follows:

1. Customer Information. CCWC agrees to provide water consumption information and listing of new and closed accounts for the Shared Customers to the Sanitary District for the Sanitary District's use in billing for wastewater services. In order for CCWC to provide this service, the Sanitary District will submit to CCWC a map or legal description of its wastewater

service area, and addresses of the Shared Customers. The Sanitary District agrees that it is only authorized to use such water consumption information for purposes of wastewater services billing and is not authorized to disclose such information to any other party except as may be required by law. Such information will be provided by CCWC to the Sanitary District on an annual basis by the fifteenth business day of each calendar year, or other mutually agreed upon time interval, as such information becomes available to CCWC in the ordinary course of its business. The format of the data shall be as mutually agreed to between the Sanitary District and CCWC, but should include, at least, CCWC account number, customer name, account, service address, account mailing address, Sanitary District, state, postal code, monthly water consumption, premise type, and phone number.

2. Fees. The Sanitary District will pay CCWC an administrative fee of \$0.50 per customer per report for information provided to the Sanitary District under the terms outlined in Paragraph 1 above. CCWC will account for its out-of-pocket costs to obtain Commission approval of this Agreement, including the costs for the required notice and tariff and any outside counsel expenses incurred, and CCWC will invoice the Sanitary District for the total of such out-of-pocket costs, and the Sanitary District shall pay such billed amount within 30 days after its receipt of CCWC's invoice.

3. Indemnification. The Sanitary District will indemnify, defend, and hold harmless CCWC from and against all claims, losses, liability, costs, or expenses, including reasonable attorneys' fees (collectively, "claims"), arising out of the Sanitary District's use of the customer consumption information provided to the Sanitary District by CCWC hereunder, except where the information provided is erroneous.

4. Term. The term of this Agreement will be for one year. Unless and until either party serves upon the other party a written notice of non-renewal not less than ninety days prior to expiration, this Agreement will automatically renew for successive one year terms. Nevertheless, either party may terminate this Agreement with or without cause upon service of a notice to terminate not less than ninety days prior to termination. This Agreement, with the exception of Section 3 which will be effective immediately upon execution of both parties, will be in full force and effect only upon execution by the parties hereto and the Commission's approval of this Agreement and will continue until expired or terminated in accordance with the provisions herein set forth.

5. Commission Regulation. The Sanitary District acknowledges that:

- (i) CCWC is a public service corporation as such term is defined in the Arizona Constitution and, as such, the terms of this Agreement must be subject to any applicable Commission rules, regulations, and orders;
- (ii) CCWC intends to submit notice to the Commission at least 180 days in advance of any sharing of customer information, including billing information, and may file a tariff with the Commission setting forth appropriate customer notification procedures to inform customers of the information sharing arrangements; and
- (iii) upon the submission by CCWC, the Commission may stay effectiveness of any such tariff until such time as the Commission issues a written order approving any agreement to share customer information and therefore the parties further acknowledge that any such agreement will not be enforceable until such approval by the Commission is issued.

6. Limitations on Liability. Neither the Sanitary District nor CCWC 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 the affected party's 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.

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

If to the Sanitary District: Attention; Administrative Services Manager
Fountain Hills Sanitary District
16941 E. Pepperwood Circle
Fountain Hills, AZ 85268-2901

If to CCWC: Attn: Customer Service Manager
Chaparral City Water Company
2355 W Pinnacle Peak Road
Phoenix, AZ 85027

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

8. No Waiver. 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 or the right of the Sanitary District or CCWC at any time to avail themselves of such remedies as either may have for any breach or breaches of such provisions. The waiver of any specific provision 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 in writing signed by both parties.

9. Governing Law. This Agreement will be construed and enforced in accordance with the laws of the State of Arizona, including, without limitation, the Commission's rules, regulations, and orders. Venue will be exclusively in the Superior Court of Maricopa County and each party hereby expressly waives any objection or challenge to venue in said Court.

10. Other Miscellaneous Provisions. This Agreement contains the entire agreement between parties hereto with respect to the transactions contemplated herein. This Agreement supersedes all previous written and verbal agreements on the subject of this Agreement. This Agreement will not be amended or modified except in writing signed by all of the parties hereto. This Agreement will be binding upon and inure to the benefit of all parties hereto and their respective successors and assigns. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition of unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. 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.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto
on the date first written above.

"THE SANITARY DISTRICT"

CCWC

FOUNTAIN HILLS SANITARY DISTRICT

CHAPARRAL CITY WATER COMPANY

By: Ronald D. Huber
Name: RONALD D. HUBER
Title: DISTRICT MANAGER

By: [Signature]
Name: Jeffrey Stark
Title: OPERATIONS DIRECTOR