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BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE
Chairman
BOB STUMP
Commissioner
SANDRA D. KENNEDY
Commissioner
PAUL NEWMAN
Commissioner
BRENDA BURNS
Commissioner

Arizona Corporation Commission

DOCKETED

MAY - 4 2011

DOCKETED BY *mn*

IN THE MATTER OF WICKENBURG
RANCH WATER, LLC (FORMERLY CDC
WICKENBURG WATER, LLC)
APPLICATION FOR APPROVAL OF A
RATE ADJUSTMENT – COMPLIANCE
FILING PER DECISION NO. 70741

DOCKET NOS. W-03994A-07-0657

DECISION NO. 72301

ORDER

Open Meeting
April 27 and 28, 2011
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Wickenburg Ranch Water, LLC (“Wickenburg Ranch” or “Company”) is certificated to provide water service as a public service corporation in the State of Arizona.

2. On March 17, 2010, the Commission issued Decision No. 71501 amending Decision No. 70741. Decision No. 70741 as amended ordered that Wickenburg Ranch Water, LLC (“Wickenburg Ranch” or “Company”) submit for Commission consideration proposed tariffs for the 10 Best Management Practices (“BMPs”) that it filed in this Docket on July 31, 2009, as

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1 modified by the Staff recommendations filed on December 23, 2009.¹ Staff's recommendations
2 resulted in Wickenburg Ranch adopting the BMPs listed and discussed in further detail below.

3 3. On June 15, 2010, the Company filed its proposed tariffs. The Company is
4 requesting Commission approval to implement the conservation measures listed below.

- 5 • **New Homeowner Landscape Information Tariff – BMP 2.3:** A program for the
6 Company to promote the conservation of water by providing a landscape
7 information package for the purpose of educating its new customers about low
8 water use landscaping.
- 9 • **New Homeowner Landscape Information Tariff Rainwater Catchment
10 Systems:** The purpose of this tariff is to enable the Company to promote the
11 conservation of groundwater by making available educational pamphlets regarding
12 how to implement a rainwater catchment system to all new customers within the
13 Company's service area.²
- 14 • **Customer High Water Use Inquiry Resolution Tariff – BMP 3.6:** A program for
15 the Company to assist its customers with their high water-use inquiries and
16 complaints.
- 17 • **Customer High Water Use Notification Tariff – BMP 3.7:** A program for the
18 Company to monitor and notify customers when water use seems to be abnormally
19 high and provide information that could benefit those customers and promote water
20 conservation.
- 21 • **Water Waste Investigations and Information Tariff – BMP 3.8:** A program for
22 the Company to assist customers with water waste complaints and provide
23 customers with information designed to improve water use efficiency.
- 24 • **Leak Detection Program Tariff – BMP 4.1:** A program for the Company to
25 systematically evaluate its water distribution system to identify and repair leaks.
- 26 • **Meter Repair and/or Replacement Tariff – BMP 4.2:** A program for the
27 Company to systematically assess all in-service water meters (including Company
28 production meters) in its water service area to identify under-registering meters and
to repair or replace them.
- **Low Water Use Landscaping Requirements Tariff for Residential, Multi-
family, Non-residential, and/or Common Areas – BMP 5.1:** A program for the

25 ¹ Staff recommended nine BMPs, the Rainwater Catchment Tariff was provided to satisfy the tenth BMP requirement
26 even though this Tariff is not a BMP per the Arizona Department of Water Resources' Required Public Education
27 Program and Best Management Practices in the Modified Non-Per Capita Conservation Program. The other Tariffs
28 listed below are for BMPs outlined in the Arizona Department of Water Resources' modified Non-Per Capita
Conservation Program.

² In accordance with Commission Decision No. 70741, as amended, the Company is required to make educational
pamphlets regarding how to implement a rainwater catchment system available to all new customers, either through
direct distribution (mail or delivery) or through delivery by the home builder.

1 Company to reduce water use within its service area and/or increase water use
2 efficiency by limiting or reducing water used for specific purposes.

- 3 • **Water System Tampering Tariff – BMP 5.2:** The purpose of this tariff is to
4 promote the conservation of groundwater by enabling the Company to bring an
5 action for damages or to enjoin any activity against a person who tampers with the
6 water system.

- 7 • **Low Water Use Landscaping Requirements Tariff for Model Homes in New
8 Residential Developments – BMP 5.5:** A program for the Company to reduce
9 water use within its service area and/or increase water use efficiency by limiting or
10 reducing water used for specific purposes.

11 **Staff's Analysis**

12 Wickenburg Ranch Service Area Characteristics

13 4. Wickenburg Ranch plans to provide water service to a master planned 2,162-acre
14 development consisting of 2,324 housing units near Wickenburg, Arizona. The Commission in
15 issuing Decision No. 70741 concluded that it was in the public interest to require, as a compliance
16 item in this case, the Company to file appropriate tariffs for Commission consideration that would
17 condition the provision of water service to any customer on the implementation of full xeriscape
18 landscaping in front yards, as well as the installation of rainwater catchment systems. The
19 Commission found that the Company should be required to comply with some of the ADWR
20 conservation goals and management practices and required Wickenburg Ranch to implement at
21 least 10 BMPs outlined in ADWR's Modified Non-Per Capita Conservation Program ("NPCCP").
22 Staff concludes that each BMP proposed is relevant to the Wickenburg Ranch service area
23 characteristics. Staff believes that the BMPs selected will help to reduce water used by the
24 Company's customers for landscaping and customers will receive information designed to improve
25 their water use efficiency and promote water conservation.

26 Proposed Tariffs

27 5. Staff created a set of BMP tariff templates that were developed using the BMP
28 descriptions outlined in the ADWR Modified NPCCP and relevant ADWR documents. ADWR
representatives were provided with a copy of these templates, revisions were made to the templates
where appropriate to incorporate any comments/suggestions provided by ADWR. The BMP
tariffs filed by the Company on June 15, 2010, were not based on Staff's templates. Staff provided

1 the Company with a copy of its templates and asked the Company to submit tariffs using those
2 templates. Discussions ensued and after several months Staff and the Company were able to agree
3 upon a tariff for each BMP with one exception. Staff and the Company did not agree on a Low
4 Water Use Landscaping Requirements Tariff for Model Homes in New Residential Developments
5 (BMP 5.5). The Staff template for BMP 5.5 includes the following restriction: “no model home
6 shall be equipped with a swimming pool, jacuzzi, or other water use intensive feature (e.g.,
7 fountain, fish pond, etc.).”³ The Company would not agree with this restriction. Therefore, Staff
8 and the Company were not able to reach agreement on a tariff for BMP 5.5.

9 6. While the tariffs that Staff and the Company reached agreement on generally
10 conform to the templates developed by Staff, minor modifications were included to reflect the
11 Company’s specific management and operational requirements.

12 **Recommendation**

13 7. Staff has concluded that the BMPs proposed are relevant to the Wickenburg service
14 area characteristics. The tariffs that Staff and the Company reached agreement on generally
15 conform to the templates developed by Staff. Therefore, Staff has recommended approval of the
16 BMP tariffs and the Rainwater Catchment Systems tariff in the form Staff and the Company
17 reached agreement on. Staff has further recommended that the Commission approve Staff’s tariff
18 for BMP 5.5 which restricts the installation of water use intensive features in model home
19 construction. The tariffs recommended by Staff are labeled as Attachment A to the Order.

20 CONCLUSIONS OF LAW

21 1. The Company is an Arizona public service corporation within the meaning of
22 Article XV, Section 2, of the Arizona Constitution.

23 2. The Commission has jurisdiction over the Company and of the subject matter in
24 this Application pursuant to Article XV of the Arizona Constitution and A.R.S. § 40-203.

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28 ³ Staff considered this to be a key provision of its BMP 5.5 tariff and allowing builders to install water use intensive features in model homes would undermine the Company’s water conservation effort by sending the wrong message to home buyers and customers.

1 SERVICE LIST FOR: WICKENBURG RANCH WATER, LLC
2 DOCKET NO.: W-03994A-07-0657

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ATTACHMENT A

Company: Wickenburg Ranch Water, LLC

Decision No.: _____

Phone: 602-386-1310

Effective Date: _____

NEW HOMEOWNER LANDSCAPE INFORMATION TARIFF
RAINWATER CATCHMENT SYSTEMS

PURPOSE

The purpose of this tariff is to enable the Company to promote the conservation of groundwater by making available educational pamphlets regarding how to implement a rainwater catchment system to all new customers within the Company's service area.

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. In accordance with the Arizona Corporation Commission ("ACC") Decision No. 71501, the Company is required to adopt and implement water conservation measures described in the paragraph above. In support of the Company's water conservation goals and the ACC decision, the Company will make educational pamphlets regarding how to implement a rainwater catchment system available to all new customers, either through direct distribution (mail or delivery) or through delivery by the home builder. The Company will also notify new customers who are owners of existing homes (resale) that information on rainwater catchment systems is available and will provide such information on request.
2. The Company shall provide to its new customers a complete copy of this tariff.
3. The number of pamphlets provided to new customers will be recorded and made available to the Commission upon request.

Company: Wickenburg Ranch Water, LLC

Decision No.: _____

Phone: 602-386-1310

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New Homeowner Landscape Information Tariff – BMP 2.3

PURPOSE

A program for the Company to promote the conservation of water by providing a landscape information package for the purpose of educating its new customers about low water use landscaping (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.3: New Homeowner Landscape Information).

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. Upon establishment of water service the Company shall provide a free "Homeowner Landscape Packet" to each new customer in the Company's service area. The packet will include at a minimum: a cover letter describing the water conservation goals for all customers in the Company's service area, all applicable tariffs, a basic interior exterior water saving pamphlet, xeriscape landscape information, a list of low water use trees, plants, shrubs, etc. and watering guidelines.
2. Upon customer request, the Company shall provide:
 - a. On-site consultations on low water use landscaping and efficient watering practices.
 - b. A summary of water saving options.
3. The number of packets provided to new customers will be recorded and made available to the Commission upon request.

Company: Wickenburg Ranch Water, LLC

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Customer High Water Use Inquiry Resolution Tariff – BMP 3.6

PURPOSE

A program for the Company to assist its customers with their high water-use inquiries and complaints (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.6: Customer High Water Use Inquiry Resolution).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall handle high water use inquiries as calls are received.
2. Calls shall be taken by a customer service representative who has been trained on typical causes of high water consumption as well as leak detection procedures that customers can perform themselves.
3. Upon request by the customer or when the Company determines it is warranted, a trained Field Technician shall be sent to the customer's residence to conduct a leak detection inspection and further assist the customer with water conservation measures.
4. The Company shall follow up in some way on every customer inquiry or complaint and keep a record of inquiries and follow-up activities.

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Customer High Water Use Notification Tariff – BMP 3.7

PURPOSE

A program for the Company to monitor and notify customers when water use seems to be abnormally high and provide information that could benefit those customers and promote water conservation (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services Program 3.7: Customer High Water Use Notification).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall track water usage for each customer and notify the customer if water use seems excessive for that particular billing for that time of the year.
2. The Company shall identify customers with high consumption and investigate each instance to determine the possible cause.
3. The Company shall contact the high water use customers via telephone, email, by mail or in person. The Company shall contact the customer as soon as practical in order to minimize the possible loss of water. The customer will not be required to do anything to receive this notification.
4. In the notification the Company shall explain some of the most common water usage problems and common solutions and points of contact for dealing with the issues.
5. In the notification, the customer will be reminded of at least the following water-saving precautions:
 - a. Check for leaks, running toilets, or valves or flappers that need to be replaced.
 - b. Check landscape watering system valves periodically for leaks and keep sprinkler heads in good shape.
 - c. Adjust sprinklers so only the vegetation is watered and not the house, sidewalk, or street, etc.
 - d. Continue water conservation efforts with any pools such as installing covers on pools and spas and checking for leaks around pumps.
6. In the notification, the customer will also be reminded of at least the following ordinary life events that can cause a spike in water usage:
 - a. More people in the home than usual taking baths and showers.
 - b. Doing more loads of laundry than usual.
 - c. Doing a landscape project or starting a new lawn.
 - d. Washing vehicles more often than usual.
7. The Company shall provide water conservation information that could benefit the customer, such as, but not limited to, audit programs, publications, and rebate programs.

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8. The Company shall assist the customer, upon request, in a self-water audit and assist the customer in determining what might be causing the high water usage as well as supply customer with information regarding water conservation and landscape watering guidelines. As part of the water audit the Company shall confirm the accuracy of the customer meter if requested to do so by the customer (applicable meter testing fees shall apply).
9. The type of notification, the timing of the notification (i.e., how long after high water use was discovered by the Company), and the criteria used for determining which customers are notified shall be recorded and made available to the Commission upon request.

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Water Waste Investigations and Information Tariff – BMP 3.8

PURPOSE

A program for the Company to assist customers with water waste complaints and provide customers with information designed to improve water use efficiency (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.8: Water Waste Investigations and Information).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission specifically R14-2-403 and R14-2-410 and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall handle water waste complaints as calls are received.
2. Calls shall be taken by a customer service representative who has been trained to determine the type of water waste and to determine if it may be attributed to a leak or broken water line.
3. The Company shall follow up on every water waste complaint.
4. Upon request by the customer or when the Company determines it is warranted, a trained Field Technician shall be sent to investigate further and notify the responsible party of the waste and offer assistance and information to prevent waste in the future.
5. A letter of enforcement will be issued to customers with water running beyond the curb and/or off the customers property due to such things as, but not limited to, backwashing of pools, broken sprinkler heads, and over watering of lawns beyond the saturation point.
6. The same procedures outlined above in item #4 will be followed in the event of a second violation. Termination of service may result in the event of the third violation within a 12 month period. In the event of a third violation the customer's service may be terminated per Arizona Administrative Code R14-2-410C, R14-2-410D and R14-2-410E (applicable service reconnection fees shall apply).
7. The Company shall record each account and each instance noted for water waste, the action taken and any follow-up activities.
8. Subject to the provisions of this tariff, compliance with the water waste restriction will be a condition of service.
9. The Company shall provide to its customers a complete copy of this tariff and all attachments upon request and to each new customer. The customer shall abide by the water waste restriction.
10. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

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Leak Detection Program Tariff – BMP 4.1

PURPOSE

A program for the Company to systematically evaluate its water distribution system to identify and repair leaks (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.1 Leak Detection Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall implement a comprehensive leak detection and repair program to attain and maintain a less than 10 percent unaccounted for water loss in its system(s). The program must include auditing procedures, in-field leak detection and repair efforts. The Company shall take whatever steps are necessary to ensure that its water system is operating at optimal efficiency.
2. On a systematic basis, at least every two years (annually for smaller systems), the Company shall inspect its water distribution system (to include hydrants, valves, tanks, pumps, etc. in the distribution system) to identify and repair leaks. Detection shall be followed by repair or in some cases replacement. Repair vs. replacement will depend upon site-specific leakage rates and costs.
3. Leak Detection efforts should focus on the portion of the distribution system with the greatest expected problems, including:
 - a. areas with a history of excessive leak and break rates;
 - b. areas where leaks and breaks can result in the heaviest property damage;
 - c. areas where system pressure is high;
 - d. areas exposed to stray current and traffic vibration;
 - e. areas near stream crossings; and,
 - f. areas where loads on pipe may exceed design loads.
4. The Company shall keep accurate and detailed records concerning its leak detection and repair/rehabilitation program and the associated costs. Records of repairs shall include: possible causes of the leak; estimated amount of water lost; and date of repair. These records shall be made available to the Commission upon request.
5. The Company shall maintain a complete set of updated distribution system maps.
6. The Company shall ensure that properly functioning (accurate) and appropriately sized meters are installed on all service and source connections.
7. The Company shall conduct a water audit annually which includes the following steps to determine how efficient each water system is operating and where the losses might be.
 - a. Use coordinated monthly source and service meter readings to calculate how much water enters and leaves the system during the 12 month review period.

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- b. Track and estimate any unmetered authorized uses, which may include firefighting, main flushing, process water for water treatment plants, etc.
- c. Calculate the total amount of leakage using the following formula:

$$\text{Unaccounted for water (\%)} = [(\text{Production minus metered use \& estimated authorized un-metered use}) / (\text{Production})] \times 100\%$$

- d. Water losses include all water that is not identified as authorized metered water use or authorized un-metered use.
 - e. Determine possible reasons for leakage, including physical leaks and unauthorized uses.
 - f. Analyze results to determine the improvements needed, such as, better accounting practices, leak survey or replacing old distribution pipes.
8. The Company shall keep accurate and detailed records concerning its annual water audit results. These records shall be made available to the Commission upon request.

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Meter Repair and/or Replacement Tariff – BMP 4.2

PURPOSE

A program for the Company to systematically assess all in-service water meters (including Company production meters) in its water service area to identify under-registering meters and to repair or replace them (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.2 Meter Repair and/or Replacement Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. On a systematic basis, the Company will inspect 100 percent of its 1-inch and smaller in-service water meters at least once every ten years for one of the following reasons (whichever occurs first):
 - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
 - b. A meter has registered 1,000,000 gallons of usage,
 - c. A meter has been in service for ten years.
2. Meters larger than 1-inch shall be inspected for one of the following reasons:
 - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
 - b. A meter has been in service for five years.
3. The inspection will be accomplished by visually inspection the meter. If meter shows signs of damage or water leakage then the meter will be pulled. A Company technician will physically inspect each meter and its fittings for leaks, registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair. In addition, meters shall be randomly selected for flow testing to identify potentially under-registering meters.
4. The Company shall also replace or reprogram any water meters that do not register in gallons. Within 5 years of the initial effective date of this tariff, the Company shall replace or reprogram all:
 - a. 1-inch and smaller meters such that they register usage in 1 gallon increments,
 - b. 1-1/2-inch through 4-inch meters such that they register in 10 gallon increments, and
 - c. 6-inch and larger meters such that they register in 100 gallon increments.

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Phone: 602-386-1310

Effective Date: _____

Low Water Use Landscaping Requirements Tariff for Residential, Multi-family, Non-residential, and/or Common Areas – BMP 5.1

PURPOSE

A program for the Company to reduce water use within its service area and/or increase water use efficiency by limiting or reducing water used for specific purposes (Modified Non-Per Capita Conservation Program BMP Category 5: Ordinances/Conditions of Service/Tariffs 5.1: Low Water Use Landscaping Requirements for Residential, Multi-family, Non-residential, and/or Common Areas).

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically A.A.C. R14-2-403 and R14-2-410 and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The following landscape restrictions will be required in order for a customer to receive water service from the Company on or after the effective date of this tariff:

All Residential Customers -

- a. For all landscapeable area only a maximum of 20 percent shall be allowed to be landscaped with turf, the remainder shall use xeriscape landscaping. A list of low water use landscaping materials will be available from the Company upon request.

All Non-Residential Customers -

- a. For all landscapeable area only a maximum of 20 percent shall be allowed to be landscaped with turf, the remainder shall use xeriscape landscaping. A list of low water use landscaping materials will be available from the Company upon request.

2. Subject to the provisions of this tariff, the installation of the landscape restrictions will be a condition of service.
3. The Company shall provide to its customers a complete copy of this tariff and all attachments upon request for service. The customer shall follow and abide by these landscape restrictions.

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4. If after a customer has been connected to the Company water system, the Company discovers that the customer has installed turf or water-use intensive features contrary to the above requirements, the Company shall notify (in writing) the customer of such violation and provide the customer with the appropriate educational materials informing the customer of some possibilities of how to correct the problem. The customer shall be allowed sixty (60) days to come into compliance with the above requirements. If after sixty (60) days the customer is not in compliance with the above requirements, the customer's service may be terminated per Arizona Administrative Code R14-2-410C, R14-2-410D and R14-2-410E.
5. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

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WATER SYSTEM TAMPERING TARIFF – BMP 5.2**PURPOSE**

The purpose of this tariff is to promote the conservation of groundwater by enabling the Company to bring an action for damages or to enjoin any activity against a person who tampers with the water system.

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically AAC R14-2-403 and R14-2-410 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. In accordance with the Arizona Corporation Commission ("ACC") Decision No. 71501, the Company is required to adopt and implement water conservation measures described in the paragraph above. In support of the Company's water conservation goals and the ACC decision, pursuant to A.R.S. 40-492 et al., the Company may bring an action for damages or to enjoin any activity against a person who: (1) makes a connection or reconnection with property owned or used by the Company to provide utility service without the Company's authorization or consent; (2) prevents a Company meter or other device used to determine the charge for utility services from accurately performing its measuring function; (3) tampers with property owned or used by the Company; or (4) uses or receives the Company's services without the authorization or consent of the Company and knows or has reason to know of the unlawful diversion, tampering or connection. If the Company's action is successful, the Company may recover as damages three times the amount of actual damages.
2. Compliance with the provisions of this tariff will be a condition of service.
3. The Company shall provide to all its customers a complete copy of this tariff and all attachments. The customers shall follow and abide by this tariff.
4. If after a customer has been connected to the Company water system, the Company discovers that the customer has taken action(s) contrary to the above requirements, the Company shall notify (in writing) the customer of such violation and provide the customer with the appropriate educational materials informing the customer of some possibilities of how to correct the problem. The customer shall be allowed sixty (60) days to come into compliance with the above requirements. If after sixty (60) days the

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customer is not in compliance with the above requirements, the customer's service may be terminated per Arizona Administrative Code R14-2-410C, R14-2-410D and R14-2-410E.

5. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

Company: Wickenburg Ranch Water, LLC

Decision No.: 71501

Phone: 602-386-1310

Effective Date: 3/17/2010

**Low Water Use Landscaping Requirements Tariff for Model Homes
in New Residential Developments – BMP 5.5**

PURPOSE

A program for the Company to reduce water use within its service area and/or increase water use efficiency by limiting or reducing water used for specific purposes (Modified Non-Per Capita Conservation Program BMP Category 5: Ordinances/Conditions of Service/Tariffs 5.5: Low Water Use Landscaping Requirements Tariff for Model Homes in New Residential Developments).

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically A.A.C. R14-2-403 and R14-2-410 and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall provide to the customer/developer/builder distinct guidelines for landscape planning and design for model homes.
2. The following landscape restrictions will be required in order for a customer/developer/builder to receive water service to its model homes from the Company on or after the effective date of this tariff:

Restrictions Applicable to All New Model Home Landscaping -

- a. Model home landscaping will involve strategic planning and design. Landscaped areas will be divided into zones based on water requirements. Each model will have efficient irrigation systems, properly designed and maintained.
 - b. All models will be placed on a drip irrigation system with a timer for shrubs and trees to apply water directly to the roots where it is needed. Watering schedules will be adjusted each month to match seasonal weather conditions and landscape requirements.
 - c. Each model home landscape package must designate at least eighty percent (80%) of either the front or back yard, or some portion of both, for the use of xeriscape landscaping.
3. Subject to the provisions of this tariff, the installation of the landscape restrictions will be a condition of service.
 4. The Company shall provide to customer/developer/builder a complete copy of this tariff and all attachments upon request for service. The customer/developer/builder shall follow and abide by these landscape restrictions.

Revised 5-06-10

Company: Wickenburg Ranch Water, LLC

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Phone: 602-386-1310

Effective Date: 3/17/2010

5. If after a customer has been connected to the Company water system, the Company discovers that the customer has installed turf or water-use intensive features contrary to the above requirements, the Company shall notify (in writing) the customer of such violation and provide the customer with the appropriate educational materials informing the customer of some possibilities of how to correct the problem. The customer shall be allowed thirty (30) days to come into compliance with the above requirements. If after thirty (30) days the customer is not in compliance with the above requirements, the customer's service may be terminated per Arizona Administrative Code R14-2-410C, R14-2-410D and R14-2-410E.
6. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

COMMISSIONERS
GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS



ARIZONA CORPORATION COMMISSION

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COMMISSIONER

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April 29, 2011

Arizona Corporation Commission
Docket Control
Decision 70741

RE: DISSENT
WICKENBURG RANCH WATER
DECISION 70741

To All Interested Parties:

I want to explain my No vote on the compliance issue for Wickenburg Ranch Water. Decision No. 70741 ordered Wickenburg Ranch, Water, LLC to submit 10 Best Management Practices (BMPs) for water conservation.

Both Staff and the company were in agreement with nine of the BMPs proposed by the company and only one was the subject of disagreement. I believe the Staff proposal to restrict water intensive features was the correct manner to educate and address the conservation of our most vital natural resource, water. However, by a 3-2 vote the Commission did not adopt the Staff's version of the disputed BMP.

I understand the company's point of view that including water features, such as swimming pools and fountains will give them a market edge in this failing housing market. However, it is not the lack of water features, which have slowed the sales of new homes. In fact, many developers are seeing the benefits of conservation and green technology in marketing new homes.

In my opinion, showing the benefits of water conservation in an arid desert setting is a responsible education tool.

It is for that reason I voted against the measure.

Sandra D. Kennedy
Corporation Commissioner

Decision No. **72301**