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BEFORE THE ARIZONA CORPORATION COMMISSION

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

Arizona Corporation Commission

DOCKETED

JUN 27 2011

DOCKETED BY
NR

IN THE MATTER OF THE APPLICATION)
OF GLOBAL WATER – PALO VERDE)
UTILITIES COMPANY FOR THE)
ESTABLISHMENT OF JUST AND)
REASONABLE RATES AND CHARGES)
FOR UTILITY SERVICE DESIGNED TO)
REALIZE A REASONABLE RATE OF)
RETURN ON THE FAIR VALUE OF ITS)
PROPERTY THROUGHOUT THE STATE)
OF ARIZONA)

DOCKET NO. SW-20445A-09-0077

IN THE MATTER OF THE APPLICATION)
OF VALENCIA WATER COMPANY –)
GREATER BUCKEYE DIVISION FOR THE)
ESTABLISHMENT OF JUST AND)
REASONABLE RATES AND CHARGES)
FOR UTILITY SERVICE DESIGNED TO)
REALIZE A REASONABLE RATE OF)
RETURN ON THE FAIR VALUE OF ITS)
PROPERTY THROUGHOUT THE STATE)
OF ARIZONA)

DOCKET NO. W-02451A-09-0078

IN THE MATTER OF THE APPLICATION)
OF WILLOW VALLEY WATER)
COMPANY FOR THE ESTABLISHMENT)
OF JUST AND REASONABLE RATES AND)
CHARGES FOR UTILITY SERVICE)
DESIGNED TO REALIZE A REASONABLE)
RATE OF RETURN ON THE FAIR VALUE)
OF ITS PROPERTY THROUGHOUT THE)
STATE OF ARIZONA)

DOCKET NO. W-01732A-09-0079

1 IN THE MATTER OF THE APPLICATION)
 2 OF GLOBAL WATER – SANTA CRUZ)
 3 WATER COMPANY FOR THE)
 4 ESTABLISHMENT OF JUST AND)
 5 REASONABLE RATES AND CHARGES)
 6 FOR UTILITY SERVICE DESIGNED TO)
 7 REALIZE A REASONABLE RATE OF)
 8 RETURN ON THE FAIR VALUE OF ITS)
 9 PROPERTY THROUGHOUT THE STATE)
 10 OF ARIZONA)

DOCKET NO. W-20446A-09-0080

7 IN THE MATTER OF THE APPLICATION)
 8 OF WATER UTILITY OF GREATER)
 9 TONOPAH FOR THE ESTABLISHMENT)
 10 OF JUST AND REASONABLE RATES AND)
 11 CHARGES FOR UTILITY SERVICE)
 12 DESIGNED TO REALIZE A REASONABLE)
 13 RATE OF RETURN ON THE FAIR VALUE)
 14 OF ITS PROPERTY THROUGHOUT THE)
 15 STATE OF ARIZONA)

DOCKET NO. W-02450A-09-0081

12 IN THE MATTER OF THE APPLICATION)
 13 OF VALENCIA WATER COMPANY –)
 14 TOWN DIVISION FOR THE)
 15 ESTABLISHMENT OF JUST AND)
 16 REASONABLE RATES AND CHARGES)
 17 FOR UTILITY SERVICE DESIGNED TO)
 18 REALIZE A REASONABLE RATE OF)
 19 RETURN ON THE FAIR VALUE OF ITS)
 20 PROPERTY THROUGHOUT THE STATE)
 21 OF ARIZONA)

DOCKET NO. W-01212A-09-0082

DECISION NO. 72440

ORDER

19 Open Meeting
 20 June 21 and 22, 2011
 21 Phoenix, Arizona

21 BY THE COMMISSION:

22 In Decision No. 71878, dated September 15, 2010, the Arizona Corporation Commission
 23 (“Commission”), ordered that Global Water – Palo Verde Utilities Company, Global Water –
 24 Santa Cruz Water Company, Valencia Water Company – Town Division, Valencia Water
 25 Company – Greater Buckeye Division, Water Utility of Greater Tonopah and Willow Valley
 26 Water Co. (collectively, the “Global Utilities” or “Company”) to file, within 60 days, or sooner if
 27 possible, for review by Utilities Division Staff (“Staff”) and Commission consideration of, a copy
 28 ...

1 of its Low Income Relief Tariffs. Pursuant to that order, the Company filed its proposed tariff on
2 November 15, 2010.¹ Staff filed its recommendations and proposed order on June 6, 2011.

3 * * * * *

4 Having considered the entire record herein and being fully advised in the premises, the
5 Commission finds, concludes, and orders that:

6 FINDINGS OF FACT

7 1. The purpose of the tariff is to define the process for funding the Global Utilities'
8 Low Income Relief Program ("LIRP"). The Global Utilities' LIRP provides direct assistance to
9 qualified applicants and is modeled after similar low income assistance programs at Arizona
10 Public Service Company and Tucson Electric Power Company.

11 2. The LIRP will be administered by the Arizona Community Action Association
12 ("ACAA"), a 501 (c)(3) non-profit agency. ACAA will coordinate the LIRP with the Community
13 Action Program ("CAP") agencies that assist low income customers.

14 3. ACAA will provide monthly reporting to Global Utilities including but not limited
15 to the following:

- 16 • Total funds received from Global Utilities
- 17 • Total funds distributed to CAP agencies
- 18 • The number of households receiving assistance in each utility's service territory
- 19 • Demographics of the households receiving assistance
- 20 • Account balance

21 4. Global Utilities will provide annual reporting to the Commission that includes but is
22 not limited to the following:

- 23 • Annual ACAA report
- 24 • Total LIRP funds collected
- 25 • Total Company match

26 5. Funding for the LIRP will be provided 50 percent by a customer surcharge and 50
27 percent by Global Utilities. The LIRP is designed to provide total annual funding of \$100,000, to

28 ¹ The Company's proposed tariff is attached hereto as Exhibit A.

1 be available across all of the Company's Arizona utilities, with approximately \$10,000 of that
2 amount used to cover administrative overhead costs.²

3 6. The monthly customer surcharge for each year will be determined by dividing
4 \$4,167³ by the total number of active connections at September 30 of the prior year. For 2011, the
5 computed customer surcharge is \$0.11 per connection per month. The Company will file annually
6 with the Commission, on or before November 30, notice of the monthly customer surcharge to
7 become effective on the following January 1.

8 7. Global Utilities will provide up to \$4,167 per month, matching the funds provided
9 by the customer charge.

10 8. The program will be available to Global Utilities' residential customers for their
11 primary legal residence only. To qualify, applicants must:

- 12 a) Have no history of utility tampering (cutting locks, water theft, etc.).
13 b) Have made a sincere effort to pay with a payment plan in place.
14 c) Have household income equal to or less than 200 percent of the Federal Poverty
15 Guidelines.

16 9. There is a \$250 per year per customer maximum annual benefit allowing the
17 program to assist 360 families per year⁴. Funds will be distributed on a first come, first served
18 basis.

19 10. The tariff as submitted states that "[f]unds may be used for any of the following
20 fees incurred," then sets forth a list of six fees.⁵ Staff confirmed with the Company that the intent
21 is for the distributions to be available for payment of monthly minimum and commodity charges,
22 as well as the specific fees listed in the tariff. We find that, to avoid confusion, the Company
23 should modify the tariff to include the following language: "Funds may be used for payment of
24 monthly minimum and commodity charges, as well as for any of the following fees incurred."
25

26 ² The Company projects the administrative expenses payable to ACAA to equal 10% of the funds received. Rebuttal
27 Testimony of Graham Symmonds at 15:11-14. Funding contributed by the Company will be used to cover the
program administrative expenses, with the remainder being used for approved LIRP distributions.

³ \$50,000 total customer funding divided by 12 months

⁴ \$90,000 in distributable funds divided by the \$250 maximum annual benefit.

⁵ Exhibit A (proposed tariff) at 4.

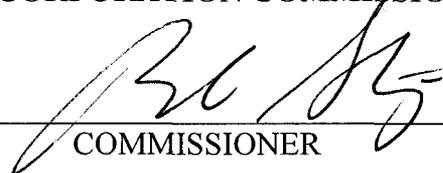
1 IT IS FURTHER ORDERED that this Decision shall become effective for all service
2 rendered on or after August 1, 2011.

3 IT IS FURTHER ORDERED that Global Utilities notify their customers of the revised
4 schedules of rates and charges authorized herein by means of an insert in their next regularly-
5 scheduled billing in a form and manner acceptable to Staff.

6 IT IS FURTHER ORDERED that this Decision become effective immediately.

7
8 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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11 CHAIRMAN

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12 COMMISSIONER

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14 COMMISSIONER

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14 COMMISSIONER

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14 COMMISSIONER

15 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
16 Executive Director of the Arizona Corporation Commission,
17 have hereunto, set my hand and caused the official seal of
18 this Commission to be affixed at the Capitol, in the City of
19 Phoenix, this 27th day of June, 2011.

19
20 

20 ERNEST G. JOHNSON
21 EXECUTIVE DIRECTOR

22
23 DISSENT: _____

24
25 DISSENT: _____

26 SMO:DRE:lh\WVC

1 SERVICE LIST FOR: Global Water – Palo Verde Utilities Company, Valencia Water Company –
2 Greater Buckeye Division, Willow Valley Water Co., Global Water
3 Company – Santa Cruz Water Company, Water Utility of Greater Tonopah,
and Valencia Water Company – Town Division

4 DOCKET NOS. SW-20445A-09-0077, W-02451A-09-0078, W-01732A-09-0079, W-20446A-09-
5 0080, W-02450A-09-0081, AND W-01212A-09-0082

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Low Income Relief Tariff

Applicable to:

- Global Water – Palo Verde Utilities Company;
- Global Water – Santa Cruz Water Company;
- Valencia Water Company – Town Division;
- Valencia Water Company – Greater Buckeye Division;
- Water Utility of Greater Tonopah;
- Willow Valley Water Company.

Purpose:

The purpose of this tariff is to define the process for funding the Low Income Relief Program (LIRP). Funding for the LIRP includes a customer surcharge and a Company match. Company is owned by Global Water Resources (Global).

Funding:

Funding for the Global Water LIRP is provided by a combination of:

1. Consumer Surcharge:

$$\frac{\$ 50,000/\text{yr} \div 12 \text{ mo/yr}}{38,923 \text{ Active Connections}^1} = \$0.11 \text{ per month, per connection}$$

The Consumer Surcharge will be added to each monthly invoice for all consumers. In the case of Palo Verde and Santa Cruz, a single monthly surcharge of \$0.22 on the consolidated invoice will be added.

2. Global Water Match: \$ 4,167.00/month

The Global Water Match will be provided to the Arizona Community Action Association on a monthly basis.

Details of the program are available in GWR-CP-EX-043, effective date 1 January 2011.

¹ As of 30 September 2010

Effective Date: 15 November 2010
 Decision No: 71878
 Docket No: W-20445A-09-0077 et al.
 ACC Approval: _____

Global Water Attn: Regulatory Affairs
 21410 N. 19th Ave., Ste. 201
 Phoenix, AZ 85027
 623.580.9600



Code of Practice: GWR-CP-EX-043

GLOBAL WATER RESOURCES (GWR)

CODE OF PRACTICE

GWR-CP-EX-043

Low Income Relief Program

PURPOSE

The purpose of this code of practice is to define the Low Income Relief Tariff (LIRT) for Global Water Utilities and establish the process for funding and distributing the assets of the Low Income Relief Program (LIRP). Funding for the LIRP includes a customer surcharge and a Company match. Company is owned by Global Water Resources (Global).

RULES

Funding the Program

The Arizona Corporation Commission (ACC) has approved the Low Income Relief Tariff which is funded equally by Global Shareholders and Global Customers. The initial LIRP is capped at \$100,000 total annual funding (shareholder and customer funds) across all of Global's Arizona utilities. Monthly program funding is composed of equal parts consumer-generated funds and Company match.

Surcharge

The consumer-generated funds result from a LIRT surcharge assessed on a monthly basis for each actively billed account, per utility, designed to yield \$50,000 of consumer-generated funds per year. The monthly LIRT surcharge will be determined in November of each year for the next year, and be based on the number of active connections as of 30 September. Company will file notice of the surcharge with the ACC on or before 30 November. The new surcharge will have an effective date of 1 January.

Company Match

The Company will contribute an amount equal to that contributed by rate payers. Funding contributed by the Company will be used to cover the program Administrative expenses, with the remainder being used for approved LIRP distributions. The match will be made at the end of each calendar month, and the monthly match is limited to \$4,167.00 total for all Global's Arizona utilities.

Disposition of Funds

LIRT surcharge funds will be allocated on a monthly basis into a separate LIRT general ledger account. At the end of each calendar month, the Company will provide an equal match of the LIRT surcharge funds, not to exceed \$4167.00 per month. The combined LIRT surcharge funds and Company match will

Revision: GWR-CP-EX-043(001)

Responsible Agent: Administration

Confirm Revision Prior to Release

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Effective Date: 15 November 2010
Decision No: 71878
Docket No: W-20445A-09-0077 et al.
ACC Approval: _____

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GWAZT-LIRT-001

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Decision No. **72440**



Code of Practice: GWR-CP-EX-043

be transferred to the Arizona Community Action Association on a monthly basis, for distribution through qualified Community Action Programs.

The LIRP will be reviewed by the ACC during each subsequent rate filing made by Company.

Administration

The Arizona Community Action Association (ACAA), a 501(c) 3 non-profit agency, will administer the Global Water Low Income Relief Program. The ACAA will coordinate the LIRP with the Community Action Program (CAP) Agencies that assist low income customers to benefit qualifying Global customers. All funds, less ACAA and CAP program administration fees, will be used directly by CAP agencies for bill assistance provided to qualifying Global Customers. The ACAA will work closely with Global Water to determine the appropriate budgets for each CAP agency.

ACAA will make distributions to CAP agencies at least every 6 months.

The available funds are distributed based on a first come, first served basis.

Reporting

The ACAA will provide monthly reporting to Global Water including but not limited to the following:

- Total funds received from the Company
- Total funds distributed to CAP agencies
- The number of households receiving assistance in each Utility's service territory
- Demographics of the households receiving assistance
- Account Balance

The Company will provide annual reporting to the ACC including, but not limited to the following:

- Annual ACAA Report
- Total LIRT funds collected
- Total Company match

The annual report will be submitted on or before 30 April.

Governance

The Company-appointed LIRT Program Manager will regularly attend the ACAA Executive Committee meetings, to ensure fund investment and policy decisions are consistent with the initial intent of the LIRP program design.

Qualifications

Revision: GWR-CP-EX-043(061)

Responsible Agent: Administration

Confirm Revision Prior to Release

Page 2 of 3

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GWAZT-LIRT-001

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Decision No. 72440

