



0000127166

21  
cb

BEFORE THE ARIZONA CORPORATION COMMISSION

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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 LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WASTEWATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. SW-01428A-09-0103

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. W-01427A-09-0104

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR AUTHORITY (1) TO ISSUE EVIDENCE OF INDEBTEDNESS IN AN AMOUNT OT TO EXCEED \$1,755,000 IN CONNECTION WITH (A) THE CONSTRUCTION OF TWO RECHARGE WELL INFRASTRUCTURE IMPROVEMENTS AND (2) TO ENCUMBER ITS REAL PROPERTY AND PLANT AS SECURITY FOR SUCH INDEBTEDNESS.

DOCKET NO. W-01427A-09-0116

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR AUTHORITY (1) TO ISSUE EVIDENCE OF INDEBTEDNESS IN AN AMOUNT OT TO EXCEED \$1,170,000 IN CONNECTION WITH (A) THE CONSTRUCTION OF ONE 200 KW ROOF MOUNTED SOLAR GENERATOR INFRASTRUCTURE IMPROVEMENTS AND (2) TO ENCUMBER ITS REAL PROPERTY AND PLANT AS SECURITY FOR SUCH INDEBTEDNESS.

DOCKET NO. W-01427A-09-0120

DECISION NO. 72446

ORDER

COMPLIANCE FILING PER  
DECISION NO. 72026 FOR ADWR  
BEST MANAGEMENT  
PRACTICES

1 Open Meeting  
June 21 and 22, 2011  
2 Phoenix, Arizona

3 BY THE COMMISSION:

4 FINDINGS OF FACT

5 1. Litchfield Park Service Company (“LPSCo” or “Company”) is certificated to  
6 provide water and wastewater service as a public service corporation in the State of Arizona.

7 2. On December 10, 2010, the Commission issued Decision No. 72026 granting  
8 LPSCo a rate increase and financing approval. As part of the Decision, the Commission ordered  
9 that “Litchfield Park Service Company submit for Commission consideration within 120 days of  
10 the effective date of this Decision, at least five additional Best Management Practices (as outlined  
11 in ADWR’s Modified Non-Per Capita Conservation Program) above the Company’s existing  
12 ADWR requirements. The BMPs shall generally follow the template contained on the  
13 Commission’s website. A maximum of two of these BMPs may come from the “Public  
14 Awareness/PR” or “Education and Training” categories of the BMPs. The Company may request  
15 cost recovery of actual costs associated with the BMPs implemented in its next rate case.”

16 3. On April 11, 2011, the Company filed nine proposed BMP tariffs; four required and  
17 approved ADWR BMPs (1.2, 2.3, 3.6 and 6.11) and an additional five required Commission BMPs  
18 (2.2, 3.8, 4.1, 4.2 and 5.8). In its compliance filing, the Company is requesting Commission  
19 approval for only the five required Commission BMP tariffs listed below:

- 20 • Youth Conservation Education Program Tariff – BMP 2.2: A program for the Company  
21 to promote water conservation by increasing students’ understanding of water resources  
22 and the need to conserve.
- 23 • Water Waste Investigations and Information Tariff – BMP 3.8: A program for the  
24 Company to assist customers with water waste complaints and provide customers with  
25 information designed to improve water use efficiency.
- 26 • Leak Detection Program Tariff – BMP 4.1: A program for the Company to  
27 systematically evaluate its water distribution system to identify and repair leaks.
- 28 • Meter Repair and/or Replacement Tariff – BMP 4.2: 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.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

- Landscape Watering Restrictions – BMP 5.8: A program for the Company to restrict water use within its service area by limiting or reducing water used for landscape purposes.

**Staff's Analysis**

Company Service Area Characteristics

4. LPSCo's service area is within portions of the City of Goodyear, City of Litchfield Park, City of Avondale and unincorporated areas of Maricopa County. The Company is located within the Arizona Department of Water Resources' Phoenix Active Management Area. According to the Company, in 2010, the Company's water division served approximately 16,165 active service connections; 14,795 residential and 1,370 non-residential accounts. The Company also serves 12 schools. Staff concludes that each of the five required Commission BMP tariffs proposed is relevant to the Company's service area characteristics.

Proposed Tariffs

5. The five required Commission BMP tariffs proposed by the Company conform to the templates developed by Staff.

**Recommendation**

6. Staff concludes that the additional five required Commission BMP tariffs proposed are relevant to the Company's service area characteristics and that these tariffs conform to the templates developed by Staff. Therefore, Staff recommends approval of the Company's proposed five BMP tariffs attached hereto as Exhibit A.

7. Staff further recommends that the Company may request cost recovery in its next rate case of the actual costs incurred for only the implementation of the five Commission approved BMP tariffs.

CONCLUSIONS OF LAW

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

2. The Commission has jurisdiction over the Company and of the subject matter in this Application.

...  
...



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

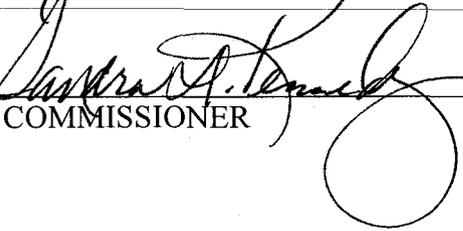
IT IS FURTHER ORDERED that Litchfield Park Service Company may request cost recovery in its next rate case of the actual costs incurred for only the implementation of the five Commission approved BMP tariffs.

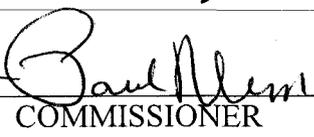
IT IS FURTHER ORDERED that this Decision shall become effective immediately.

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

  
CHAIRMAN

  
COMMISSIONER

  
COMMISSIONER

  
COMMISSIONER

  
COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, 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 27<sup>th</sup> day of June, 2011.

  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

SMO:MSJ:lh\RM

1 SERVICE LIST FOR: LITCHFIELD PARK SERVICE COMPANY  
2 DOCKET NOS.: SW-01428A-09-0101, W-01427A-09-0104, W-01427A-09-0116, and  
3 W-01427A-09-0120

4 Mr. Jay L. Shapiro  
5 Mr. Todd C. Wiley  
6 Fennemore Craig, P.C.  
7 3003 North Central Avenue, Suite 2600  
8 Phoenix, Arizona 85012  
9 Attorneys for Litchfield Park Service Company

10 Ms. Michelle Wood  
11 RUCO  
12 1110 West Washington, Suite 220  
13 Phoenix, Arizona 85007

14 Mr. Martin A. Aronson  
15 Mr. Robert J. Moon  
16 Morrill & Aronson, PLC  
17 One East Camelback Road, Suite 340  
18 Phoenix, Arizona 85012  
19 Attorneys for Pebblecreek Properties Limited Partnership

20 Mr. William P. Sullivan  
21 Mr. Larry K. Udall  
22 Curtis Goodwin Sullivan Udall & Schawb, PLC  
23 501 East Thomas Road  
24 Phoenix, Arizona 85012-3205  
25 Attorneys for City of Litchfield Park

26 Chad and Jessica Robinson  
27 15629 West Meadowbrook Avenue  
28 Goodyear, Arizona 85395

Mr. Craig A. Marks  
Craig A. Marks, PLC  
10645 North Tatum Boulevard, Suite 200-676  
Phoenix, Arizona 85028  
Attorney for Westcor/Goodyear LLC and Globe Land Investors, LLC

Mr. Steven M. Olea  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Janice M. Alward  
Chief Counsel, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

Exhibit A

Company: \_\_\_\_\_

Decision No.: \_\_\_\_\_

Phone: \_\_\_\_\_

Effective Date: \_\_\_\_\_

## **Youth Conservation Education Program Tariff – BMP 2.2**

### **PURPOSE**

A program for the Company to promote water conservation by increasing students' understanding of water resources and the need to conserve (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.2: Youth Conservation Education 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 or designated representative shall work with schools in its service area to increase students' understanding of water resources and to promote water conservation.
2. The Company shall provide a combination of instructional assistance, education materials, teacher education, classroom presentations, and field trips to water related facilities.
3. The Company shall provide the following teacher resources.
  - a. Offer Project WET (Water Education for Teachers) workshops to teachers twice yearly.
  - b. Provide free resource materials and information upon request.
  - c. Provide in-classroom presentations upon request.
4. The Company shall make available free water conservation workbooks for elementary school students.
5. The Company shall keep a record of the following information and make it available upon request.
  - a. A description of the youth conservation education process implemented.
  - b. The number of students reached (or an estimate).
  - c. A description of the written water conservation material provided free to students.
  - d. Costs of the Youth Conservation Education Program implementation.

Company: \_\_\_\_\_

Decision No.: \_\_\_\_\_

Phone: \_\_\_\_\_

Effective Date: \_\_\_\_\_

## **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.

Company: \_\_\_\_\_

Decision No.: \_\_\_\_\_

Phone: \_\_\_\_\_

Effective Date: \_\_\_\_\_

## **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. All meters 1-inch and smaller

Company: \_\_\_\_\_

Decision No.: \_\_\_\_\_

Phone: \_\_\_\_\_

Effective Date: \_\_\_\_\_

shall be inspected at least once every ten years or upon registering 1,000,000 gallons of usage, whichever comes first. Meters larger than 1-inch shall be inspected at least once every five years or upon registering 1,000,000 gallons of usage, whichever comes first.

7. The inspection will be accomplished by having the meter pulled and having a Company Technician 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.
8. 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.
  - b. Track and estimate any unmetered authorized uses.
  - c. Calculate the total amount of leakage using the following formula:  
  
$$\text{Unaccounted for water (\%)} = [(\text{Production and/or purchased water minus metered use \& estimated authorized un-metered use}) / (\text{Production and/or purchased water})] \times 100\%$$
  - d. Authorized un-metered uses may include firefighting, main flushing, process water for water treatment plants, etc. 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.
9. 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.

Company: \_\_\_\_\_

Decision No.: \_\_\_\_\_

Phone: \_\_\_\_\_

Effective Date: \_\_\_\_\_

## **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 having the meter pulled and having a Company Technician 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.

Company: \_\_\_\_\_

Decision No.: \_\_\_\_\_

Phone: \_\_\_\_\_

Effective Date: \_\_\_\_\_

## **Landscape Watering Restrictions Tariff – BMP 5.8**

### **PURPOSE**

A program for the Company to restrict water use within its service area by limiting or reducing water used for landscape purposes (Modified Non-Per Capita Conservation Program BMP Category 5: Ordinances/Conditions of Service/Tariffs 5.8: Landscape Watering Restrictions).

### **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's service area is within portions of the City of Goodyear, City of Litchfield park, City of Avondale and unincorporated areas of Maricopa County. Various City/County Codes and/or Ordinances may apply depending on the location of the customer. In order for a customer to receive water service from the Company on or after the effective date of this tariff the customer must comply with the various City/County Codes and/or Ordinances that apply.
2. In the event the Company implements its Commission approved Curtailment Plan Tariff ("CPT"), the customers will be informed of the CPT's Curtailment Stage and asked to lower consumption in order to comply with the landscape watering restrictions listed in the CPT for the appropriate curtailment stage in effect at the time.
3. Compliance with the provisions of this BMP tariff will be a condition of service.
3. The Company shall provide to its customers a complete copy of this BMP tariff and all attachments upon request for service. The customer shall follow and abide by these landscape watering restrictions.
4. If after a customer has been connected to the Company water system, the Company discovers that the customer is in violation of the landscape watering restrictions 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.

Company: \_\_\_\_\_

Decision No.: \_\_\_\_\_

Phone: \_\_\_\_\_

Effective Date: \_\_\_\_\_

5. Customer notice requirements and disconnection of service restrictions listed in the CPT shall apply for customer noncompliance with CPT Stage 4 landscape watering restrictions.
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.