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BEFORE THE ARIZONA CORPORATIC

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

Arizona Corporation Commission

DOCKETED

MAY - 1 2012

DOCKETED BY  
ne

IN THE MATTER OF THE APPLICATION OF  
GOODMAN WATER COMPANY, AN ARIZONA  
CORPORATION, FOR (i) A DETERMINATION  
OF THE FAIR VALUE OF ITS UTILITY PLANT  
AND PROPERTY AND (ii) AN INCREASE IN ITS  
WATER RATES AND CHARGES FOR UTILITY  
SERVICE BASED THEREON.

) DOCKET NO. W-02500A-10-0382  
)  
) DECISION NO. 73136  
)  
) ORDER  
)  
) **COMPLIANCE FILING PER**  
) **DECISION NO. 72897 FOR ADWR**  
) **BEST MANAGEMENT**  
) **PRACTICES**

Open Meeting  
April 24 and 25, 2012  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Goodman Water Company ("Company") is certificated to provide water service as a public service corporation in the State of Arizona.
2. On February 21, 2012, the Arizona Corporation Commission ("Commission") issued Decision No. 72897 approving adjusted rates for the Company. As part of the Decision, the Commission ordered that "Goodman Water Company shall file with Docket Control, as a compliance item in this docket, and within 90 days of the effective date of this Decision in this matter, at least five BMPs in the form of tariffs that substantially conform to the templates created by Staff, for the Commission's review and consideration; and further that a maximum of two BMPs may come from the "Public Awareness/Public Relations" or "Education and Training" categories; and that the Company may request recovery of the actual costs associated with the implemented BMPs in its next rate case."
- ...

1 3. On April 11, 2012, the Company filed proposed Best Management Practices  
2 (“BMPs”) and the Company is requesting Commission approval for the five BMP tariffs listed  
3 below:

- 4 • **Local and/or Regional Messaging Program Tariff – BMP 1.1:** A program for the  
5 Company to actively participate in a water conservation campaign with local or regional  
6 advertising.
- 7 • **Customer High Water Use Notification Tariff – BMP 3.7:** A program for the  
8 Company to monitor and notify customers when water use seems to be abnormally high  
9 and provide information that could benefit those customers and promote water  
10 conservation.
- 11 • **Meter Repair and/or Replacement Tariff – BMP 4.2:** A program for the Company to  
12 systematically assess all in-service water meters (including Company production  
13 meters) in its water service area to identify under-registering meters for repair or  
14 replacement.
- 15 • **Water System Tampering Tariff – BMP 5.2:** The purpose of the tariff is to promote  
16 the conservation of groundwater by enabling the Company to bring an action for  
17 damages or to enjoin any activity against a person who tampers with the water system.
- 18 • **Public Education Program Tariff:** A program for the Company to provide free  
19 written information on water conservation measures to its customers and to remind  
20 them of the importance of conserving water.

19 **Staff’s Analysis**

20 Company Service Area Characteristics

21 4. The Company’s service area provides water utility service to a development known  
22 as Eagle Crest Ranch located in Pinal County, northwest of Tucson, Arizona. The Company is  
23 also located within the Arizona Department of Water Resources’ Tucson Active Management  
24 Area. According to the Company’s 2011 Annual Report, the Company serves approximately 715  
25 customers, the vast majority of which are residential customers. Staff concludes that each of the  
26 BMP tariffs proposed is relevant to the Company’s service area characteristics.

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28 ...

1 Proposed Tariffs

2 5. The five BMP tariffs proposed by the Company conform to the templates developed  
3 by Staff.

4 **Recommendations**

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

9 CONCLUSIONS OF LAW

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

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

14 3. The Commission having reviewed the filing and Staff's Memorandum dated  
15 April 12, 2011, concludes that it is in the public interest to approve the proposed five BMP tariffs  
16 attached hereto as Exhibit A.

17 ORDER

18 IT IS THEREFORE ORDERED that Goodman Water Company's five BMP tariffs  
19 attached hereto as Exhibit A are hereby approved.

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1 IT IS FURTHER ORDERED that Goodman Water Company shall file with Docket  
2 Control, as a compliance item in this docket, the five BMP tariffs authorized herein within 30 days  
3 of the effective date of this Decision.

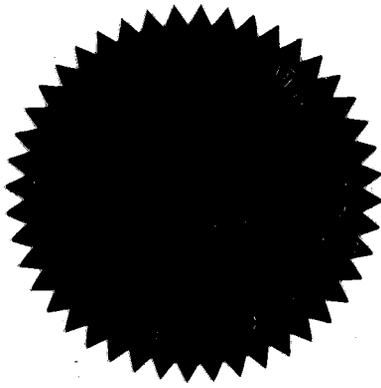
4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

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

6  CHAIRMAN  COMMISSIONER

8  
9  COMMISSIONER  COMMISSIONER  COMMISSIONER

11 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,  
12 Executive Director of the Arizona Corporation Commission,  
13 have hereunto, set my hand and caused the official seal of this  
14 Commission to be affixed at the Capitol, in the City of Phoenix,  
15 this 15<sup>th</sup> day of MAY, 2012.



16   
17 ERNEST G. JOHNSON  
18 EXECUTIVE DIRECTOR

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

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

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1 SERVICE LIST FOR: Goodman Water Company  
2 DOCKET NO.: Docket No. W-02500A-10-0382

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# Exhibit A

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Company: Goodman Water Company

Decision No.: 72897

Phone: (520) 647-2555

Effective Date: February 21, 2012

## **Local and/or Regional Messaging Program Tariff – BMP 1.1**

### **PURPOSE**

A program for the Company to actively participate in a water conservation campaign with local or regional advertizing (Modified Non-Per Capita Conservation Program BMP Category 1: Public Awareness/Public Relations 1.1: Local and/or Regional Messaging 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 actively participate in water conservation campaign with local and/or regional advertising.
2. The campaign shall promote ways for customers to save water.
3. The Company shall facilitate the campaign through one or more of the following avenues (not an all inclusive list):
  - a. Television commercials
  - b. Radio commercials
  - c. Websites
  - d. Promotional materials
  - e. Vehicle signs
  - f. Bookmarks
  - g. Magnets
4. The Company shall keep a record of the following information and make it available to the Commission upon request.
  - a. A description of the messaging program implemented and program dates.
  - b. The number of customers reached (or an estimate).
  - c. Costs of Program implementation.

Revised: 10-4-10

Company: Goodman Water Company

Decision No.: 72897

Phone: (520) 647-2555

Effective Date: February 21, 2012

## **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.
8. The Company shall assist the customer 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

Revised 4-15-10

Company: Goodman Water Company

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- 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.

Revised 4-15-10

Company: Goodman Water Company

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Phone: (520) 647-2555

Effective Date: February 21, 2012

## **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 for repair or replacement (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. Upon the effective date of this tariff, the Company shall install all replacement meters with new:
  - a. 1-inch and smaller meters that register in 1 gallon increments,
  - b. 1-1/2-inch through 4-inch meters that register in 10 gallon increments, and
  - c. 6-inch and larger meters that register in 100 gallon increments.
5. The Company shall keep records of all inspected and replacement meters and make this information available to the Commission upon request.

Revised: 8-24-11

Company: Goodman Water Company

Decision No.: 72897

Phone: (520) 647-2555

Effective Date: February 21, 2012

**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 Arizona Administrative Code ("AAC") 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 support of the Company's water conservation goals, 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, upon request, a complete copy of this tariff and AAC R14-2-410. The customers shall follow and abide by this tariff.
4. If a customer is connected to the Company water system and the Company discovers that the customer has taken any of the actions listed in No. 1 above, the Company may terminate service per AAC R14-2-410.
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.

Revised: 5-26-11

Company: Goodman Water Company

Decision No.: 72897

Phone: (520) 647-2555

Effective Date: February 21, 2012

## **Public Education Program Tariff**

### **PURPOSE**

A program for the Company to provide free written information on water conservation measures to its customers and to remind them of the importance of conserving water (Required Public 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 shall provide two newsletters to each customer; one to be provided in the spring, the other in the fall. The goal of the letters is to provide timely information to customers in preparation of the hot summer months, and the cold winter months, in regards to their water uses. The Company shall remind customers of the importance of water conservation measures and inform them of the information available from the Company.
2. Information in the newsletters shall include water saving tips, home preparation recommendations for water systems/pipes, landscape maintenance issues for summer and winter, water cistern maintenance reminders and additional pertinent topics. Where practical, the Company shall make this information available in digital format which can be e-mailed to customers upon request or posted on the Company's website.
3. Communication channels shall include one or more of the following: water bill inserts, messages on water bills, Company web page, post cards, e-mails and special mailings of print pieces, whichever is the most cost-effective and appropriate for the subject at hand.
4. Free written water conservation materials shall be available in the Company's business office and the Company shall send information to customers on request.
5. The Company may distribute water conservation information at other locations such as libraries, chambers of commerce, community events, etc., as well.
6. The Company shall keep a record of the following information and make it available to the Commission upon request.
  - a. A description of each communication channel (i.e., the way messages will be provided) and the number of times it has been used.
  - b. The number of customers reached (or an estimate).
  - c. A description of the written water conservation material provided free to customers.

Revised 4-15-10