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OPEN MEETING RECEIVED

MEMORANDUM

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TO: THE COMMISSION

ADWR COMMISSION  
DOCKET CONTROL

FROM: Utilities Division

DATE: June 6, 2012

RE: **COMPLIANCE FILING PER DECISION NO. 73091-IN THE MATTER OF THE APPLICATION OF Bob B. Watkins d/b/a East Slope Water Company (DOCKET Numbers W-02031A-10-0168, W-02327A-10-0169, W-01906A-10-0170, W-01906A-10-0171, W-02031A-10-0171, W-02327A-10-0171, W-01906A-10-0183, W-02031A-10-0184, W-02327A-10-0185)**

**Introduction**

On April 4, 2012, the Arizona Corporation Commission (“Commission”) issued Decision No. 73091 approving adjusted rates for Bob B. Watkins d/b/a East Slope Water Company (“Company”). As part of the Decision, the Commission ordered that the Company “shall file with Docket Control, as a compliance item in this docket, and within 90 days of the effective date of this Decision, at least three BMPs (“Best Management Practices”) in the form of tariffs that substantially conform to the forms available at the Commission’s website, for the Commission’s review and consideration. A maximum of two BMPs may come from the “Public Awareness/Public Relations” or “Education and Training categories of the BMPs as outlined by the ADWR in its Modified Non-Per Capita Conservation Program and relevant ADWR documents.”

**Company’s Compliance Filing**

On April 16, 2012, the Company filed proposed Best Management Practices (“BMPs”) and the Company is requesting Commission approval for the three BMP tariffs listed below:

1. **Local and/or Regional Messaging Program Tariff – BPM 1.1:** A program for the Company to actively participate in a water conservation campaign with local or regional advertising.
2. **Customer High Water Use Notification Tariff – BMP 3.7:** 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.

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3. **Water System Tampering Tariff – BMP 5.2:** The purpose of the 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.

## **Staff's Analysis**

### Company Service Area Characteristics

The Company operates three water systems (East Slope, Antelope Run and Indiada) that serve approximately 1,000 customers south of Sierra Vista Cochise County. The Company's service territory is not located in an Arizona Department of Water Resources ("ADWR") designated Active Management Area. According to the Company, BMP 3.6 the High Water Use Inquiry Resolution Tariff was selected because of the incidence of high water use and leaks on private property in its service area. BMP 5.2 the Water System Tampering Tariff was selected due to the incidence of illegal system connections and damage to utility services. Staff concludes that each of the BMP tariffs proposed is relevant to the Company's service area. Staff believes that the BMP's selected will help promote water conservation in the Company's service area. The tariffs recommended by Staff are labeled as Attachment A to the proposed order.

### Proposed Tariffs

The three BMP tariffs proposed by the Company conform to the templates developed by Staff.

## **Recommendations**

Staff concludes that the BMP tariffs proposed are relevant to the Company's service area characteristics and that these tariffs conform to the templates developed by Staff. Staff recommends approval of the Company's proposed BMP tariffs.



Steven M. Olea  
Director  
Utilities Division

SMO:KS:sms/RRM

Originator: Katrin Stukov

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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

COMPLIANCE FILING PER DECISION  
NO. 73091 IN THE MATTER OF BOB B.  
WATKINS d/b/a EAST SLOPE WATER

) DOCKET NOS. W-02031A-10-0168, W-  
02327A-10-0169, W-01906A-10-0170, W-  
01906A-10-0171, W-02031A-10-0171, W-  
02327A-10-0171, W-01906A-10-0183, W-  
02031A-10-0184, W-02327A-10-0185

DECISION NO. \_\_\_\_\_

ORDER

Open Meeting  
June 19 and June 20, 2012  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Bob B. Watkins d/b/a East Slope Water Company (“Company”) is certificated to provide water service as a public service corporation in the State of Arizona.

2. On April 4, 2012, the Arizona Corporation Commission (“Commission”) issued Decision No. 73091 approving adjusted rates for the Company. As part of the Decision, the Commission ordered that the Company “shall file with Docket Control, as a compliance item in this docket, and within 90 days of the effective date of this Decision, at least three BMPs in the form of tariffs that substantially conform to the forms available at the Commission’s website, for the Commission’s review and consideration. A maximum of two BMPs may come from the “Public Awareness/Public Relations” or “Education and Training” categories of the BMPs as

...

1 outlined by the ADWR in its Modified Non-Per Capita Conservation Program and relevant  
2 ADWR documents.”

3 3. On April 16, 2012, the Company filed proposed Best Management Practices  
4 (“BMPs”) and the Company is requesting Commission approval for the three BMP tariffs listed  
5 below:

- 6 • **Local and/or Regional Messaging Program Tariff – BPM 1.1:** A program for the  
7 Company to actively participate in a water conservation campaign with local or regional  
8 advertising.
- 9 • **Customer High Water Use Notification Tariff – BMP 3.7:** A program for the  
10 Company to monitor and notify customers when water use seems to be abnormally high  
11 and provide information that could benefit those customers and promote water  
12 conservation.
- 13 • **Water System Tampering Tariff – BMP 5.2:** The purpose of the tariff is to promote  
14 the conservation of groundwater by enabling the Company to bring an action for  
15 damages or to enjoin any activity against a person who tampers with the water system.

#### 14 Company Service Area Characteristics

15 4. The Company operates three water systems (East Slope, Antelope Run and Indiada)  
16 that serve approximately 1,000 customers south of Sierra Vista Cochise County. The Company’s  
17 service territory is not located in an Arizona Department of Water Resources (“ADWR”)   
18 designated Active Management Area. According to the Company, BMP 3.6 the High Water Use  
19 Inquiry Resolution Tariff was selected because of the incidence of high water use and leaks on  
20 private property in its service area. BMP 5.2 the Water System Tampering Tariff was selected due  
21 to the incidence of illegal system connections and damage to utility services. Staff concludes that  
22 each of the BMP tariffs proposed is relevant to the Company’s service area. Staff believes that the  
23 BMPs selected will help promote water conservation in the Company’s service area. The tariffs  
24 recommended by Staff are labeled as Attachment A to the proposed order.

#### 25 Proposed Tariffs

26 5. The three BMP tariffs proposed by the Company conform to the templates  
27 developed by Staff.

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ORDER

IT IS THEREFORE ORDERED that Bob B. Watkins d/b/a East Slope Water Company's BMP tariffs attached hereto are hereby approved.

IT IS FURTHER ORDERED that Bob B. Watkins d/b/a East Slope Water Company shall file with Docket Control, as a compliance item in this docket, the BMP tariffs authorized herein within 30 days of the effective date of this Decision.

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 \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

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

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

SMO:KS:sms/RRM

1 SERVICE LIST FOR: Bob B. Watkins d/b/a East Slope Water Company  
2 DOCKET NOS. W-02031A-10-0168, W-02327A-10-0169, W-01906A-10-0170, W-01906A-  
3 10-0171, W-02031A-10-0171, W-02327A-10-0171, W-01906A-10-0183, W-02031A-10-0184,  
4 W-02327A-10-0185

5 Ms. Bonnie O'Connor  
6 Southwestern Utilities Management, Inc.  
7 Post Office Box 85160  
8 Tucson, Arizona 85754

9 Mr. Keith Dojaquez, CCI  
10 V.P. General Operations Manager  
11 Certified Operator  
12 Southwestern Utility Management, Inc.  
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15 Ms. Janice M. Alward  
16 Chief Counsel, Legal Division  
17 Arizona Corporation Commission  
18 1200 West Washington Street  
19 Phoenix, Arizona 85007

20 Mr. Steven M. Olea  
21 Director, Utilities Division  
22 Arizona Corporation Commission  
23 1200 West Washington Street  
24 Phoenix, Arizona 85007

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# ATTACHMENT ONE

Company: East Slope Water Company

Decision No.: 73091

Phone: 520-623-5172

Effective Date: 04-1-2012

### **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: East Slope Water Company

Decision No.: 73091

Phone: 520-623-5172

Effective Date: 04-1-2012

### **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.

Revised: 4-15-10

Company: East Slope Water Company

Decision No.: 73091

Phone: 520-623-5172

Effective Date: 04-1-2012

## **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