

**ORIGINAL**

OPEN MEETING AGENDA ITEM



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**MEMORANDUM**

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Arizona Corporation Commission  
**DOCKETED**

JUN 14 2012

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

DOCKETED BY *LM*

TO: Docket Control

FROM: Utilities Division

DATE: June 14, 2012

RE: **NOTICE OF ERRATA** Filing 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)

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A Compliance Filing for Docket Numbers listed above was filed on June 6, 2012 for the June 19-20 Open Meeting. The filing contained several errors.

The attached memorandum and proposed order contain the following corrections:

The attached proposed order has been corrected to refer to Customer High Water Use Inquiry Resolution Tariff – BMP 3.6 with its appropriate tariff description instead of Customer High Water Use Notification Tariff – BMP 3.7.

A new ordering paragraph has been added regarding Customer Notification of the Best Management Practices Tariffs that would be authorized.

Several minor typographical errors have been corrected.

# OPEN MEETING

## MEMORANDUM

TO: THE COMMISSION

FROM: Utilities Division

DATE: June 14, 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 in the form of tariffs that substantially conforms 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 – BMP 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 Inquiry Resolution Tariff – BMP 3.6:** A program for the Company to assist its customers with their high water-use inquiries and complaints.

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 in 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

IN THE MATTER OF THE APPLICATION )  
OF BOB B. WATKINS d/b/a EAST SLOPE )  
WATER COMPANY )

DOCKET NO. 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

**COMPLIANCE FILING PER  
DECISION  
NO. 73091 FOR ADWR BEST  
MANAGEMENT PRACTICES**

Open Meeting  
June 19 and 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 ...

1 this docket, and within 90 days of the effective date of this Decision, at least three BMPs in the  
2 form of tariffs that substantially conform to the forms available at the Commission's website, for  
3 the Commission's review and consideration. A maximum of two BMPs may come from the  
4 "Public Awareness/Public Relations" or "Education and Training" categories of the BMP's as  
5 outlined by the ADWR in its Modified Non-Per Capita Conservation Program and relevant  
6 ADWR documents."

7 3. On April 16, 2012, the Company filed proposed Best Management Practices  
8 ("BMPs") and the Company is requesting Commission approval for the three BMP tariffs listed  
9 below:

- 10 • **Local and/or Regional Messaging Program Tariff – BMP 1.1:** A program for the  
11 Company to actively participate in a water conservation campaign with local or regional  
12 advertising.
- 13 • **Customer High Water Use Inquiry Resolution Tariff – BMP 3.6:** A program for the  
14 Company to assist its customers with their high water-use inquiries and complaints.
- 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 **Staff's Analysis**

### 19 Company Service Area Characteristics

20  
21 4. The Company operates three water systems (East Slope, Antelope Run and Indiada)  
22 that serve approximately 1,000 customers south of Sierra Vista in Cochise County. The  
23 Company's service territory is not located in an Arizona Department of Water Resources  
24 ("ADWR") designated Active Management Area. According to the Company, BMP 3.6 the High  
25 Water Use Inquiry Resolution Tariff was selected because of the incidence of high water use and  
26 leaks on private property in its service area. BMP 5.2 the Water System Tampering Tariff was  
27 selected due to the incidence of illegal system connections and damage to utility services. Staff  
28 concludes that each of the BMP tariffs proposed is relevant to the Company's service area. Staff

1 believes that the BMP's selected will help promote water conservation in the Company's service  
2 area. The tariffs recommended by Staff are labeled as Attachment A to the proposed order.

3 Proposed Tariffs

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

6  
7 **Recommendations**

8 6. Staff has concluded that the BMP tariffs proposed are relevant to the Company's  
9 service area characteristics and that these tariffs conform to the templates developed by Staff.  
10 Therefore, Staff recommends approval of the Company's proposed BMP tariffs. The tariffs  
11 recommended by Staff are labeled as Attachment A to the order.

12 CONCLUSIONS OF LAW

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

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

17 3. The Commission having reviewed the filing and Staff's Memorandum dated June  
18 14, 2012, concludes that it is in the public interest to approve the proposed BMP tariffs included in  
19 Attachment A.

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21 ORDER

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

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IT IS FURTHER ORDERED that Bob B. Watkins d/b/a East Slope Water Company shall notify its customers of the BMP tariffs authorized herein and their effective date by means of either an insert in its next regularly scheduled billing or by a separate mailing.

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 \_\_\_\_\_, 2011.

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

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

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

SMO:KS:sms\RRM

1 SERVICE LIST FOR: BOB B. WATKINS d/b/a EAST SLOPE WATER Water Company  
2 Docket No. W-02031A-10-0168, ET AL.

3 Bonnie O'Connor  
4 Southwestern Utilities Management, Inc.  
5 Post Office Box 85160  
6 Tucson, Arizona 85754

7 Mr. Keith Dojaquez, CCI  
8 V.P. General Operations Manager  
9 Certified Operator  
10 Southwestern Utilities Management, Inc.  
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13 Mr. Steven M. Olea  
14 Director, Utilities Division  
15 Arizona Corporation Commission  
16 1200 West Washington Street  
17 Phoenix, Arizona 85007

18 Ms. Janice M. Alward  
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# Attachment A

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.

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

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