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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

OCT - 4 2012

DOCKETED BY
NR

IN THE MATTER OF THE APPLICATION
OF GREAT PRAIRIE OASIS L.L.C. DBA
SUNLAND WATER COMPANY FOR
APPROVAL OF FINANCING AND FOR A
RATE INCREASE -
COMPLIANCE FILING PER DECISION
NO. 73254

DOCKET NOS. W-04015A-12-0050
W-04015A-12-0051

DECISION NO. 73520

ORDER

Open Meeting
September 19 and 20, 2012
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Great Prairie Oasis L.L.C. dba Sunland Water Company ("Sunland" or "Company") is certificated to provide water service as a public service corporation in the State of Arizona.

2. On July 30, 2012, the Commission issued Decision No. 73254 granting Sunland a rate increase. As part of the Decision, the Commission ordered that Sunland submit "... for Commission review and consideration, at least three Best Management Practices, a maximum of two of which may come from the "Public Awareness/Public Relations" or "Education and Training" categories, in the form of tariffs that substantially conform to the templates created by the Commission's Utilities Division."¹

¹ Decision No. 73254 at 23:6-9.

1 3. On August 15, 2012, Sunland filed its proposed Best Management Practice
2 (“BMP”) tariffs. In its compliance filing the Company is requesting Commission approval to
3 implement the conservation measures listed below.

- 4 • **Customer High Water Use Notification Tariff – BMP 3.7:** A program for the
5 Company to monitor and notify customers when water use seems to be abnormally
6 high and provide information that could benefit those customers and promote water
7 conservation.
- 8 • **Meter Repair and/or Replacement Tariff – BMP 4.2:** A program for the
9 Company to systematically access all in-service water meters (including Company
10 production meters) in its water service area to identify under-registering meters for
11 repair or replacement.
- 12 • **Water System Tampering Tariff – BMP 5.2:** The purpose of this tariff is to
13 promote the conservation of groundwater by enabling the Company to bring an
14 action for damages or to enjoin any activity against a person who tampers with the
15 water system.

12 **Staff’s Analysis**

13 Sunland Background Information and Service Area Characteristics

14 4. Sunland is providing water utility service to approximately 80 residential customers
15 in a rural subdivision and all customers are served by 5/8 X 3/4” meters. Sunland’s Certificate of
16 Convenience and Necessity service area is approximately four and one-half square miles in size
17 and is located approximately five miles southeast of the City of Casa Grande, in Pinal County.
18 Sunland believes that the first water utility customer was served in the service area in 2000.

19 5. Sunland believes that under its new rate structure that the High Water Use
20 Notification Tariff (BMP 3.7) could benefit its customers and promote conservation. The
21 Company has a few customers that have significantly higher usage than the majority of the
22 customers and the Company believes this tariff will enable it to cost effectively send the high users
23 information on water conservation.

24 6. Sunland has informed Staff that the Meter Repair and/or Replacement Tariff (BMP
25 4.2) will help the Company implement existing meter replacement plans. Staff believes that it is
26 an important goal for any water utility to ensure that its meters are functioning properly and that
27 the Meter Repair and/or Replacement Tariff (BMP 4.2) is a good fit for a utility with Sunland’s
28 service area characteristics.

1 7. Sunland believes that it needs to inform its customer base that tampering with the
2 water system is illegal. The Water System Tampering Tariff (BMP 5.2) will provide the Company
3 with more enforcement capabilities and help facilitate customer notification and compliance.

4 Proposed Tariffs

5 8. Staff created a set of BMP tariff templates that were developed using the BMP
6 descriptions outlined in the Arizona Department of Water Resources' ("ADWR") modified Non-
7 Per Capita Conservation Program and relevant ADWR documents. ADWR representatives were
8 provided with a copy of these templates and revisions were made to the templates where
9 appropriate to incorporate any comments/suggestions provided by ADWR. The tariffs proposed
10 conform to the templates developed by Staff.

11 **Recommendation**

12 9. Staff has concluded that the BMPs proposed are relevant to Sunland's service area
13 characteristics. The tariffs proposed by Sunland conform to the templates developed by Staff.
14 Staff has recommended approval of the BMP tariffs filed by Sunland on August 15, 2012, attached
15 hereto as Exhibit A.

16 CONCLUSIONS OF LAW

17 1. Sunland Water Company is a public service corporation within the meaning of
18 Article XV, Section 2, of the Arizona Constitution.

19 2. The Commission has jurisdiction over Sunland Water Company and of the subject
20 matter of the Application.

21 3. The Commission having reviewed the filing and Staff's Memorandum dated August
22 27, 2012, concludes that it is in the public interest to approve the proposed BMP tariffs attached
23 hereto as Exhibit A.

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ORDER

IT IS THEREFORE ORDERED that the Sunland Water Company BMP tariffs attached hereto as Exhibit A are hereby approved.

IT IS FURTHER ORDERED that the Sunland Water Company shall notify its customers, in a form acceptable to Staff, of the BMP tariffs authorized herein and their effective date by means of either an insert in the next regularly scheduled billing or by a separate mailing and shall provide copies of the BMP tariffs to any customer, upon request.

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

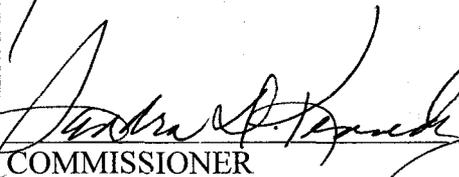
4 IT IS FURTHER ORDERED that the BMP tariffs authorized herein shall go into effect 30
5 days after the date notice is sent to customers.

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

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

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CHAIRMAN


COMMISSIONER

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COMMISSIONER


COMMISSIONER


COMMISSIONER

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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 4th day of October, 2012.

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21 
ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

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23 DISSENT: _____

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25 DISSENT: _____

26 SMO:DWS:sms\RRM

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1 SERVICE LIST FOR: GREAT PRAIRIE OASIS L.L.C. DBA SUNLAND WATER
COMPANY
2 DOCKET NOS.: W-04015A-12-0050 and W-04014A-12-0051

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ATTACHMENT 1

Company: Great Prairie Oasis dba Sunland Water

Decision No.: 73254

Phone: 602-571-6954

Effective Date: 9/19/2012

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

Company: Great Prairie Oasis dba Sunland Water

Decision No.: 73254

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Effective Date: 9/19/2012

customer with information regarding water conservation and landscape watering guidelines. As part of the water audit the Company shall confirm the accuracy of the 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.

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.

Company: Great Prairie Oasis dba Sunland Water Company

Decision No. 73254

Phone: 602-571-6954

Effective Date: 9/19/2012

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.