



0000140015

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

OCT 17 2012

DOCKETED BY	nr
-------------	----

IN THE MATTER OF THE APPLICATION
OF SUNRISE WATER CO. FOR A
DETERMINATION OF THE CURRENT
FAIR VALUE OF ITS UTILITY PROPERTY
AND FOR AN INCREASE IN ITS WATER
RATES AND CHARGES FOR UTILITY
SERVICE - COMPLIANCE FILING PER
DECISION NO. 71445

DOCKET NOS. W-02069A-08-0406
DECISION NO. 73553
ORDER

Open Meeting
October 16 and 17, 2012
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Sunrise Water Co. ("Sunrise or "Company") is certificated to provide water service as a public service corporation in the State of Arizona.

2. On December 23, 2009, the Commission issued Decision No. 71445 granting Sunrise Water Co. ("Sunrise" or "Company") a rate increase. As part of the Decision, the Commission ordered that Sunrise submit for Commission consideration at least eight Best Management Practices ("BMPs") (as outlined in the Arizona Department of Water Resources' Modified Non-Per Capita Conservation Program). A maximum of two of which may come from the "Public Awareness/Public Relations" or "Education and Training" categories of the BMPs.¹

...

¹ Decision No. 71445 at 46:4-8.

1 3. On September 5, 2012, Sunrise filed its proposed BMP tariffs. In its compliance
2 filing the Company is requesting Commission approval to implement the conservation measures
3 listed 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
6 regional advertizing.
- 7 • **New Homeowner Landscape Information Tariff – BMP 2.3:** A program for the
8 Company to promote the conservation of water by providing a landscape
9 information package to educate its new residential customers about low water use
10 landscaping.
- 11 • **Residential Audit Program Tariff – BMP 3.1:** A program for the Company to
12 promote water conservation by providing residential customers with information on
13 performing water audits to determine conservation opportunities at their residence.
- 14 • **Landscape Consultations (Residential / Non-Residential) Tariff – BMP 3.2:** A
15 program for the Company to promote water conservation by providing landscape
16 consultation services to residential and non-residential customers.
- 17 • **Customer High Water Use Inquiry Resolution Tariff – BMP 3.6:** A program for
18 the Company to assist its customers with their high water-use inquiries and
19 complaints.
- 20 • **Customer High Water Use Notification Tariff – BMP 3.7:** A program for the
21 Company to monitor and notify customers when water use seems to be abnormally
22 high and provide information that could benefit those customers and promote water
23 conservation.
- 24 • **Water Waste Investigations and Information Tariff – BMP 3.8:** A program for
25 the Company to assist customers with water waste complaints and provide
26 customers with information designed to improve water use efficiency.
- 27 • **Water System Tampering Tariff – BMP 5.2:** The purpose of this tariff is to
28 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.

21 **Staff's Analysis**

22 Sunrise Background Information and Service Area Characteristics

23 4. Sunrise is a Class B water utility providing water utility service to approximately
24 1,400 customers in an approximately 3.9-square-mile service area located in the City of Peoria, in
25 Maricopa County, Arizona. Sunrise primarily serves single-family residences located on lots
26 ranging from approximately 0.4 acres to several acres in size. Sunrise's service area is bounded by
27 99th Avenue to the west, Happy Valley Road to the north, 75th Avenue to the east and Williams
28 Road to the south. Sunrise estimates that 800 to 1,000 water services can be added to its service

1 area. The Company selected the above BMP Tariffs based on the characteristic of its water service
2 area and believes these BMPs allow for an effective and economical means to implement and
3 maintain a water conservation program.

4 5. Sunrise has a web site and the web site address is printed on each bill sent to its
5 customers. Included on the web site is information regarding water conservation and ways to
6 obtain water conservation pamphlets and brochures at no cost. When new customers request water
7 service they normally visit the Company's office and that provides an excellent opportunity for the
8 Company to give the customer landscape and water conservation information.

9 6. The Company's billing system allows it to readily know if a customer's water use is
10 abnormally high. The Company maintains customer contact information that allows it to contact
11 the customer whenever water usage is high. Company field personnel are in the service area on a
12 daily basis which allows the Company to identify and investigate problems such as water standing
13 or running down the street.

14 Proposed Tariffs

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

21 **Recommendation**

22 8. Staff has concluded that the BMPs proposed are relevant to Sunrise Water
23 Company's service area characteristics. The tariffs proposed by Sunrise conform to the templates
24 developed by Staff. Staff has recommended approval of the BMP tariffs filed by Sunrise on
25 September 5, 2012, attached hereto as Exhibit A.

26 CONCLUSIONS OF LAW

27 1. Sunrise Water Company is a public service corporation within the meaning of
28 Article XV, Section 2, of the Arizona Constitution.

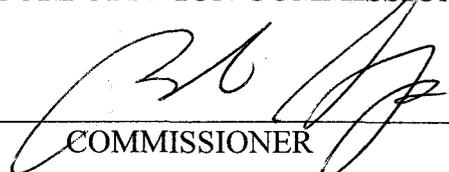
1 IT IS FURTHER ORDERED that Sunrise Water Company shall file with Docket Control,
2 as a compliance item in this docket, the BMP tariffs authorized herein within 30 days of the
3 effective date of this Decision.

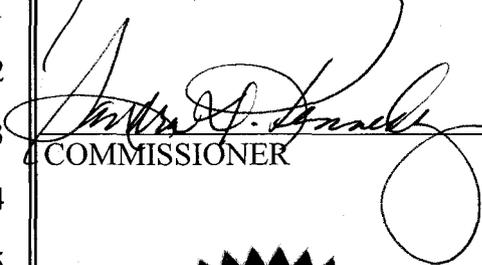
4 IT IS FURTHER ORDERED that the BMP tariffs authorized herein shall go into effect 30
5 days after the date notice is sent to customers.

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

7
8 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

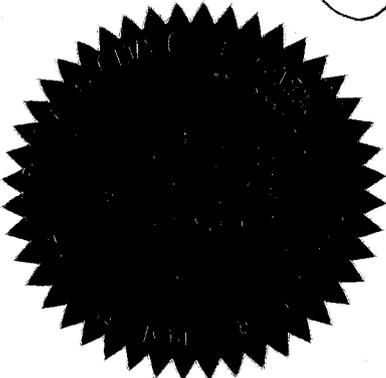
9
10 
CHAIRMAN

10
11 
COMMISSIONER

11
12 
COMMISSIONER

12
13 
COMMISSIONER

13
14 
COMMISSIONER



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 17th day of October, 2012.

20
21 
ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

22
23 DISSENT: _____

24
25 DISSENT: _____

26 SMO:DWS:sms\WVC

1 SERVICE LIST FOR: SUNRISE WATER CO.
2 DOCKET NO.: W-02069A-08-0406

3 Craig Marks
4 CRAIG A. MARKS, P.C.
5 10645 North Tatum Blvd., Suite 200-676
6 Phoenix, Arizona 85028
7 Attorney for Sunrise Water Co.

8 Mr. Marvin E. Collins
9 Manager
10 Sunrise Water Co.
11 9098 West Pinnacle Peak Road
12 Peoria, Arizona 85383

13 Ms. Janice M. Alward
14 Chief Counsel, Legal Division
15 Arizona Corporation Commission
16 1200 West Washington Street
17 Phoenix, Arizona 85007

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

23 Ms. Lyn Farmer
24 Chief Administrative Law Judge
25 Hearing Division
26 Arizona Corporation Commission
27 1200 West Washington Street
28 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: SUNRISE WATER CO. Decision No.: _____

Phone: 623-972-6133 Effective Date: _____

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.

Company: SUNRISE WATER CO. Decision No.: _____

Phone: 623-972-6133 Effective Date: _____

New Homeowner Landscape Information Tariff – BMP 2.3

PURPOSE

A program for the Company to promote the conservation of water by providing a landscape information package for the purpose of educating its new customers about low water use landscaping (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.3: New Homeowner Landscape Information).

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. Upon establishment of water service the Company shall provide a free "Homeowner Landscape Packet" to each new customer in the Company's service area. The packet will include at a minimum: a cover letter describing the water conservation expectations for all customers in the Company's service area, all applicable tariffs, a basic interior-exterior water saving pamphlet, xeriscape landscape information, and information on where to find low water use plant lists, watering guidelines, and a rain water harvesting pamphlet.
2. Upon customer request, the Company shall provide:
 - a. On-site consultations on low water use landscaping and efficient watering practices.
 - b. A summary of water saving options.
3. The number of packets provided to new customers will be recorded and made available to the Commission upon request.

Company: Sunrise Water Co.

Decision No.: _____

Phone: 623-972-6133

Effective Date: _____

Residential Audit Program Tariff – BMP 3.1

PURPOSE

A program for the Company to promote water conservation by providing customers with information on performing water audits to determine conservation opportunities at their residence (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.1: Residential Audit 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 offer self-audit information.
2. The Company or designated representative shall provide all customers that request them with a self-audit kit.
3. The kit shall include detailed instructions and tools for completing the water audit including information on how to check their water meter. The audit kit shall include but not be limited to information on checking the following components: irrigation system, pool, water features, toilets, faucets and shower.
4. If requested, the Company shall assist the customer in a self-water audit and assist the customer in determining what might be causing high water usage as well as supply customer with information regarding water conservation and landscape watering guidelines. As part of the water audit, and if requested to do so by the customer, the Company shall confirm the accuracy of the customer meter (applicable meter testing fees shall apply).
5. The Company shall keep a record of the following information and make it available upon request.
 - a. A description of the water conservation material provided in the kit.
 - b. The number of kits provided to customers.
 - c. Implementation costs of the Residential Audit Program.

Company: Sunrise Water Co.

Decision No.: _____

Phone: 623-972-6133

Effective Date: _____

Landscape Consultation (Residential and/or Non-residential)
Tariff – BMP 3.2

PURPOSE

A program for the Company to promote water conservation by providing landscape consultation services to residential and non-residential customers (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.2: Landscape Consultations (Residential and/or Non-residential)).

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 its designated provider shall offer landscape consultations to residential and non-residential customers. The consultations shall include, but are not limited to the following:
 - a. Irrigation system evaluation.
 - b. Controller programming/irrigation scheduling.
 - c. Information about low water use plants, trees, and shrubs.
 - d. Information about converting to xeriscape/turf conversion possibilities.
 - e. Information about related programs (i.e., rebates for turf removal/ converting to xeriscape) if available will be offered during the consultation.
 - f. As part of the consultation, and if requested to do so by the customer, the Company shall confirm the accuracy of the customer meter (applicable meter testing fees shall apply).
2. During the consultation, the Company or its designated provider shall provide either on-site written suggestions or on-site verbal suggestions with written follow-up.
3. The Company shall keep a record of the following information and make it available to the Commission upon request.
 - a. A description of the landscape consultation information provided to customers.
 - b. The number of landscape consultations provided to customers.
 - c. Costs of the Landscape Consultation Program.

Company: Sunrise Water Co.

Decision No.: _____

Phone: 623-972-6133

Effective Date: _____

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: Sunrise Water Co.

Decision No.: _____

Phone: 623-972-6133

Effective Date: _____

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: Sunrise Water Co.

Decision No.: _____

Phone: 623-972-6133

Effective Date: _____

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.

Company: Sunrise Water Co. _____

Decision No.: _____

Phone: 623-972-6133 _____

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: Sunrise Water Co.

Decision No.: _____

Phone: 623-972-6133

Effective Date: _____

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.