

ORIGINAL

OPEN MEETING



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MEMORANDUM

Arizona Corporation Commission

DOCKETED

OCT 30 2012

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TO: THE COMMISSION

FROM: Utilities Division

DATE: October 31, 2012

DOCKETED BY
Wm JIM

**CORP COMMISSION
DOCKET CONTROL**

RE: IN THE MATTER OF THE APPLICATION OF BOB B. WATKINS DBA EAST SLOPE WATER COMPANY, AN ARIZONA CORPORATION, FOR AUTHORITY TO IMPLEMENT AN INFRASTRUCTURE SURCHARGE (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 AND W-02327A-10-0185).

I. Introduction and Background

In Decision No. 73091, dated April 4, 2012, the Arizona Corporation Commission (“Commission”) approved a water infrastructure surcharge mechanism for Bob B. Watkins DBA East Slope Water Company (“Company”). The Decision authorized the Company to obtain a 20-year amortizing loan in an amount not to exceed \$2,748,504 to finance the proposed improvement projects, and at an interest rate not to exceed that which is available from the Water Infrastructure Finance Authority of Arizona (“WIFA”).

The Company, on October 2, 2012, filed with docket control copies of all of its financing documents with WIFA.¹

Based on Staff’s review of the loan documentation that was filed by the Company, Staff believes the term of the loan is not in compliance with Commission Decision No. 73091.

However, Staff believes that the process described below is in the public interest. To that end, Staff supports and recommends the two-step process.

The loan resolution describes a two-step process for the \$2,748,504 loan. The two-step process purports to recognize that the system improvements are still in the planning stages and that the Company may not move forward with the full list of Commission-approved projects. In step-one, the Company is to receive a \$282,748, three-year, 1.00 percent, interest-only loan for the purpose of planning and designing. In step-two, the outstanding balance of the planning and design loan is incorporated into a second, consolidated loan used to finance the actual construction of the approved infrastructure improvements.

The consolidated loan would be a 17-year (20 total years less the 3-year term of the planning and designing loan) amortizing loan for a total amount not to exceed the Commission-approved \$2,748,504. To qualify for the second loan, the Company will need to complete a

¹ Decision No. 73091 orders the Company to file with Docket Control within 30 days of execution copies of the executed loan documents between Bob B. Watkins dba East Slope Water Company and WIFA.

second WIFA Project Priority List Application and a Project Finance Application. It is anticipated that the Company will file these applications when the planning and designing phase nears completion and a final list of construction projects is accepted. The initial three-year loan will be retired once the planning activities are completed and the second loan application is approved. The length of the second loan coupled with the actual length of the first loan shall equal 20-years, the length of time approved by the Commission.

Staff supports remedying the non-compliance of the Company's proposed two-step loan through the process provided for under Arizona Revised Statutes ("ARS") § 40-252 whereby the following paragraphs in Decision No. 73091 are deleted:

IT IS FURTHER ORDERED that Bob B. Watkins d/b/a East Slope Water Company is hereby authorized to obtain a 20-year amortizing loan in an amount not to exceed \$2,748,504 to finance the proposed improvement projects, and at an interest rate not to exceed that which is available from WIFA.²

IT IS FURTHER ORDERED that within 30 days of an executed loan documents' filing, Staff shall calculate the WIFA Surcharge and prepare and file a recommended order for Commission Consideration.³

IT IS FURTHER ORDERED that the granted authorization to incur debt shall terminate December 31, 2014.⁴

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, no later than December 31, 2014, copies of the Approvals of Construction for each of the proposed improvement projects outlined in the attached Exhibit B.⁵

and the following paragraphs inserted:

IT IS FURTHER ORDERED that Bob B. Watkins d/b/a East Slope Water Company is hereby authorized to obtain an interest only, not to exceed three-year loan from WIFA, in an amount not to exceed \$282,748 for the purpose of planning and designing improvements to Bob B. Watkins d/b/a/ East Slope Water Company's water system. Bob B. Watkins d/b/a/ East Slope Water Company shall then roll the outstanding balance of that loan into a second loan in an amount not to exceed a total of \$2,748,504 for the purpose of constructing improvements to the East Slope Water Company's water system. The length of the second loan coupled with the actual length of the first loan shall equal 20 years.

2 See Decision 73091, page 41, lines 3-6.

3 Ibid. page 41, lines 16-18.

4 Ibid. page 42, lines 5-6.

5 Ibid, page 43, lines 6-9.

IT IS FURTHER ORDERED that within 30 days of executed loan documents' filing for the consolidated loan, Staff shall calculate a WIFA Surcharge and prepare and file a recommended order for Commission consideration.

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, no later than December 31, 2015, copies of the Approvals of Construction for each improvement project outlined in attached Exhibit B.

IT IS FURTHER ORDERED that the granted authorization to incur debt shall terminate December 31, 2015.

IT IS FURTHER ORDERED that Bob B. Watkins d/b/a/ East Slope Water Company is authorized the WIFA surcharges for the planning and designing loan as presented in Schedule JMM-1 (Attached). This surcharge is to be supplanted on approval by the Commission of a surcharge on the combined loan.

II. Calculation of Step-One Infrastructure Surcharge

Staff has calculated the infrastructure surcharge necessary to recover the planning and designing loan. Staff's calculation utilized the Company's customer billing determinants to compute the appropriate infrastructure surcharge based on meter size. Staff's infrastructure surcharge is calculated to be collected as a monthly surcharge in addition to the customary monthly minimum charge and does not include a commodity component.

The annual interest on a \$282,748 interest only, three-year WIFA loan amount at 1.00 percent per annum is \$2,828.

Staff calculated a monthly infrastructure surcharge for a customer with a 5/8 x 3/4-inch meter at \$0.23. The typical residential customer bill with median usage of 5,330 gallons and a 5/8 x 3/4-inch meter will increase by \$0.23, or 1.22 percent, from \$18.81 to \$19.04 as presented in Schedule JMM-1.

Staff recommends approval of the infrastructure surcharges presented below:

MONTHLY INFRASTRUCTURE SURCHARGE

5/8 x 3/4-Inch Meter	\$ 0.23
3/4-Inch Meter	\$ 0.35
1-Inch Meter	\$ 0.58
1 1/2-Inch Meter	\$ 1.15
2-Inch Meter	\$ 1.84
3-Inch Meter Surcharge	\$ 3.69
4-Inch Meter Surcharge	\$ 5.76
6-Inch Meter Surcharge	\$ 11.52

Staff recommends directing the Company to file with the Commission an infrastructure surcharge tariff consistent with the rates reflected on Schedule JMM-1.

Staff recommends that the Company notify its customers of the infrastructure surcharge tariff approved in this proceeding within 30 days of the effective date of the Commission Decision.

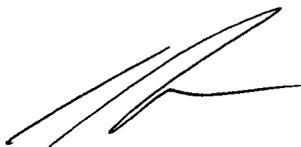
III. Conclusions and Recommendations

Staff recommends modification of the loan authorizations approved in Decision No. 73091 via A R S § 40-252 to replace the 20-year amortizing loan in an amount not to exceed \$2,748,504 with authorization to obtain an interest-only, not to exceed three-year loan from WIFA, in an amount not to exceed \$282,748 for the purpose of planning and designing improvements to the Company's water system. The Company shall then roll the outstanding balance of that loan into a second loan in an amount not to exceed a combined total of \$2,748,504 for the purpose of constructing improvements to the Company's water system. The length of the second loan coupled with the actual length of the first loan shall equal 20-years.

Staff recommends approval of the monthly infrastructure surcharges by meter size as presented in Schedule JMM-1 for the planning and designing loan. This surcharge is to be supplanted on approval by the Commission by a surcharge on the combined loan.

Staff recommends that the Company file with the Commission an infrastructure surcharge tariff consistent with the rates reflected in Schedule JMM-1.

Staff recommends that the Company notify its customers of the infrastructure surcharge tariff approved in this proceeding within 30 days of the effective date of the Commission Decision.



Steven M. Olea
Director
Utilities Division

SMO:JMM:sms/SH

ORIGINATOR: Jeffrey M. Michlik

SCHEDULES

THE COMMISSION

October 31, 2012

Page 1

Bob B. Watkins dba East Slope Water Company
 Docket Nos. W-02031-10-0168, W-02327A-10-0169, W-01906A-10170,
 W-01906A-10-0171, W-02031A-10-0171, W-02327A-10-0171, W-01906A-10-0183,
 W-02031A-10-0184, and W-02327A-10-0185
 Test Year Ended December 31, 2009

Schedule JMM-1

CALCULATION OF INFRASTRUCTURE SURCHARGE AMOUNT

Infrastructure Surcharge Based on AWWA Meter Multipliers

Loan Amount		\$	282,748
Total Yearly Interest Only Payments Based on a 3-year WIFA Loan and a 1.00% Interest Rate.		\$	2,828
Total Equivalent Annual Bills			12,270
5/8"x 3/4" Meter Surcharge Amount	\$ 2,828	12,270 =	\$ 0.23
3/4" Meter Surcharge Amount	\$ 2,828	12,270 x 1.5 =	\$ 0.35
1" Meter Surcharge Amount	\$ 2,828	12,270 x 2.5 =	\$ 0.58
1 1/2" Meter Surcharge Amount	\$ 2,828	12,270 x 5 =	\$ 1.15
2" Meter Surcharge Amount	\$ 2,828	12,270 x 8 =	\$ 1.84
3" Meter Surcharge Amount	\$ 2,828	12,270 x 16 =	\$ 3.69
4" Meter Surcharge Amount	\$ 2,828	12,270 x 25 =	\$ 5.76
6" Meter Surcharge Amount	\$ 2,828	12,270 x 50 =	\$ 11.52

Meter Size	Number of Customers'	Meter Multiplier	Equivalent Customers	Equivalent No. of Bills	Monthly Surcharge	Yearly Surcharge	Total Amount
5/8" x 3/4" Meter	955	1	955	11,460	\$ 0.23	\$ 2.77	\$ 2,641
3/4" Meter	11	1.5	17	198	0.35	4.15	\$ 46
1" Meter		2.5			0.58	6.91	\$
1 1/2" Meter	7	5	35	420	1.15	13.83	\$ 97
2" Meter	2	8	16	192	1.84	22.13	\$ 44
3" Meter		16			3.69	44.25	\$
4" Meter		25			5.76	69.14	\$
6" Meter		50			11.52	138.29	\$
TOTAL	<u>975</u>		<u>1,023</u>	<u>12,270</u>			<u>\$ 2,828</u>
Monthly WIFA Payment		\$ 2,828 /	12				<u>\$ 235.67</u>

THE COMMISSION

October 31, 2012

Page 2

Bob B. Watkins dba East Slope Water Company,
 Docket Nos. W-02031-10-0168, W-02327A-10-0169, W-01906A-10170,
 W-01906A-10-0171, W-02031A-10-0171, W-02327A-10-0171, W-01906A-10-0183,
 W-02031A-10-0184, and W-02327A-10-0185
 Test Year Ended December 31, 2009

Schedule JMM-2

Typical Bill Analysis
 General Service 5/8 x 3/4-Inch Meter

Staff Recommended	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	9,137	\$ 25.28	\$ 25.51	\$ 0.23	0.90%
Median Usage	5,330	18.81	19.04	\$ 0.23	1.22%

Present & Proposed Rates (Without Taxes)
 General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Staff Recommended Rates	Percentage Increase
1,000	\$ 12.00	\$ 12.23	1.90%
2,000	12.95	13.18	1.77%
3,000	13.90	14.13	1.64%
4,000	14.85	15.08	1.54%
5,000	16.55	16.78	1.38%
6,000	18.25	18.48	1.25%
7,000	19.95	20.18	1.15%
8,000	21.65	21.88	1.06%
9,000	23.35	23.56	0.98%
10,000	25.05	25.28	0.91%
11,000	26.75	26.98	0.85%
12,000	29.92	30.15	0.76%
13,000	33.09	33.32	0.69%
14,000	36.26	36.49	0.63%
15,000	39.43	39.66	0.58%
16,000	42.60	42.63	0.54%
17,000	45.77	46.00	0.50%
18,000	48.94	49.17	0.47%
19,000	52.11	52.34	0.44%
20,000	55.28	55.51	0.41%
25,000	58.45	58.68	0.39%
30,000	74.30	74.53	0.31%
35,000	90.15	90.36	0.25%
40,000	106.00	106.23	0.22%
45,000	121.85	122.08	0.19%
50,000	137.70	137.93	0.17%
75,000	153.55	153.78	0.15%
100,000	232.80	233.03	0.10%
	312.05	312.28	0.07%

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BEFORE THE ARIZONA CORPORATION COMMISSION

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

IN THE MATTER OF THE APPLICATION
OF BOB B. WATKINS DBA EAST SLOPE
WATER COMPANY, AN ARIZONA
CORPORATION, FOR AUTHORITY TO
IMPLEMENT AN INFRASTRUCTURE
SURCHARGE.

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 MODIFYING
DECISION NO. 73091

Open Meeting
December 11 and 12, 2012
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

Introduction and Background

1. Bob D. Watkins d/b/a East Slop Water Company (“East Slope” or “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 and a water infrastructure surcharge mechanism for Bob B. Watkins DBA East Slope Water Company (“Company”). As part of the Decision, the Commission authorized the Company to obtain a 20-year amortizing loan in an amount not to exceed \$2,748,504 to finance the proposed improvement projects, and at an interest rate not to

1 exceed that which is available from the Water Infrastructure Finance Authority of Arizona
2 (“WIFA”). The Commission also ordered the Company to file with Docket Control, as a
3 compliance item, copies of the executed loan documents between the Company and WIFA within
4 30 days of execution. The Commission further ordered the Utilities Division (“Staff”) to calculate
5 the surcharge mechanism and file a recommended order for Commission consideration within 30
6 days of executed loan documents filing.

7 3. On October 2, 2012, the Company filed copies of the executed loan documents with
8 WIFA.

9 4. Based on Staff’s review of the loan documentation that was filed by the Company,
10 Staff believes the term of the loan is not in compliance with Commission Decision No. 73091.
11 However, Staff believes that the process described below is in the public interest. To that end,
12 Staff supports and recommends the two-step process.

13 5. The Company is requesting a two-step process for the \$2,748,504 loan to recognize
14 that the system improvements are still in the planning stages and that the Company may not move
15 forward with the full list of Commission-approved infrastructure improvements. In step-one, the
16 Company is proposing to receive a \$282,748, three-year, 1.00 percent, interest-only loan for the
17 purpose of planning and designing. In step-two, the Company is proposing that the outstanding
18 balance of the planning and designing loan be incorporated into a second, consolidated loan used
19 to finance the actual construction of the approved infrastructure improvements. The consolidated
20 loan would be a 17-year (20 total years less the 3-year term of the planning and designing loan)
21 amortizing loan for a total amount not to exceed a combined total of \$2,748,504. To qualify for
22 the second loan, the Company will need to complete a second WIFA Project Priority List
23 Application and a Project Finance Application. It is anticipated that the Company will file these
24 applications when the planning and designing phase nears completion and a final list of
25 construction projects is accepted. The initial three-year loan will be retired once the planning
26 activities are completed and the second loan application is approved. The length of the second
27 loan coupled with the actual length of the first loan shall equal 20-years, as approved in Decision
28 No. 73091.

1 6. On October 31, 2012, Staff filed a Memorandum and Proposed Order
 2 recommending that the Commission modify Decision No. 73091 to authorize the Company’s
 3 proposed two-step loan and approve Staff’s recommended surcharge mechanism.

4 **Modification to Decision No. 73091**

5 7. Although the Company’s proposed two-step loan differs from the loan authorization
 6 requested by the Company in Decision No. 73091, Staff believes the Company’s current proposal
 7 is in the public interest. Accordingly, Staff recommends that the Commission, pursuant to
 8 Arizona Revised Statute § 40-252, modify Decision No. 73091 as follows:

9 Page 41, Lines 3-6:

10 DELETE: “IT IS FURTHER ORDERED that Bob B. Watkins d/b/a East Slope Water
 11 Company is hereby authorized to obtain a 20-year amortizing loan in an
 12 amount not to exceed \$2,748,504 to finance the proposed improvement
 13 projects, and at an interest rate not to exceed that which is available from
 14 WIFA.”

15 REPLACE WITH: “IT IS FURTHER ORDERED that Bob B. Watkins d/b/a East Slope
 16 Water Company is hereby authorized to obtain an interest only loan, for a
 17 term not to exceed three years from WIFA, in an amount not to exceed
 18 \$282,748 for the purpose of planning and designing improvements to the
 19 Bob B. Watkins d/b/a East Slope Water Company’s water system. The Bob
 20 B. Watkins d/b/a East Slope Water Company shall then roll the outstanding
 21 balance of that loan into a second loan in an amount not to exceed a
 22 combined total of \$2,748,504 for the purpose of constructing improvements
 23 to the Bob B. Watkins d/b/a East Slope Water Company’s water system.
 24 The length of the second loan coupled with the actual length of the first loan
 25 shall equal 20-years.

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1 Page 41, Lines 16-18:

2 DELETE: "IT IS FURTHER ORDERED that within 30 days of executed loan
3 documents' filing, Staff shall calculate the WIFA Surcharge and prepare and
4 file a recommended order for Commission Consideration."

5 REPLACE WITH: IT IS FURTHER ORDERED that within 30 days of executed loan
6 documents' filing for the consolidated loan, Staff shall calculate any
7 additional WIFA Surcharge necessary and prepare and file a recommended
8 order for Commission consideration.

9 Page 42, Lines 5-6:

10 DELETE: "IT IS FURTHER ORDERED that the granted authorization to incur debt
11 shall terminate December 31, 2014."

12 REPLACE WITH: IT IS FURTHER ORDERED that the granted authorization to incur
13 debt shall terminate December 31, 2015.

14 Page 43, Lines 6-9:

15 DELETE: "IT IS FURTHER ORDERED that Bob B. Watkins d/b/a/ East Slope Water
16 Company shall file with Docket Control, as a compliance item in this
17 docket, no later than December 31, 2014, copies of the Approvals of
18 Construction for each of the proposed improvement projects outlined in the
19 attached Exhibit B."

20 REPLACE WITH: IT IS FURTHER ORDERED that Bob B. Watkins d/b/a/ East Slope
21 Water Company shall file with Docket Control, as a compliance item in this
22 docket, no later than December 31, 2015, copies of the Approvals of
23 Construction for each improvement project outlined in attached Exhibit B.

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1 IT IS FURTHER ORDERED that Bob B. Watkins d/b/a/ East Slope Water
 2 Company is authorized the WIFA surcharges for the planning and designing
 3 loan as presented in Schedule JMM-1 (Attached). This surcharge is to be
 4 supplanted on approval by the Commission of a surcharge on the combined
 5 loan.

6 8. We find and conclude that the modifications described herein to Decision No.
 7 73091 are just and reasonable and in the public interest.

8 9. We further find and conclude that all other provisions, terms and rates in Decision
 9 No. 73091 shall remain in full force and effect.

10 **Calculation of Step-One Infrastructure Surcharge**

11 10. Staff has calculated the infrastructure surcharge necessary to recover the planning
 12 and designing loan. Staff's calculation utilized the Company's customer billing determinants to
 13 compute the appropriate infrastructure surcharge based on meter size. Staff's infrastructure
 14 surcharge is calculated to be collected as a monthly surcharge in addition to the customary
 15 monthly minimum charge and does not include a commodity component.

16 11. The annual interest on a \$282,748 interest only, three-year WIFA loan amount at
 17 1.00 percent per annum is \$2,828.

18 12. Staff calculated a monthly infrastructure surcharge for a customer with a 5/8 x 3/4-
 19 inch meter at \$0.23. The typical residential customer bill with median usage of 5,330 gallons and
 20 a 5/8 x 3/4-inch meter will increase by \$0.23, or 1.22 percent, from \$18.81 to \$19.04 as presented
 21 in Schedule JMM-1.

22 13. Staff recommends approval of the amended infrastructure surcharges presented
 23 below:

24 **MONTHLY INFRASTRUCTURE SURCHARGE**

25	5/8 x 3/4-Inch Meter	\$ 0.23
	3/4-Inch Meter	\$ 0.35
26	1-Inch Meter	\$ 0.58
	1 1/2-Inch Meter	\$ 1.15
27	2-Inch Meter	\$ 1.84

28 ...

1	3-Inch Meter Surcharge	\$ 3.69
2	4-Inch Meter Surcharge	\$ 5.76
3	6-Inch Meter Surcharge	\$ 11.52

4 14. Staff recommends directing the Company to file with the Commission an
 5 infrastructure surcharge tariff consistent with the rates reflected on Schedule JMM-1.

6 15. Staff recommends the Company be required to notify its customers of the
 7 infrastructure surcharge tariff approved in this proceeding within 30 days of the effective date of
 8 this Decision.

9 CONCLUSIONS OF LAW

10 1. Bob D. Watkins d/b/a East Slop Water Company is a public service corporation
 11 within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-250 and 40-252.

12 2. The Commission has jurisdiction over Bob D. Watkins d/b/a East Slop Water
 13 Company and of the subject matter of these consolidated applications and Staff's Memorandum
 14 dated October 31, 2012.

15 3. Pursuant to A.R.S. § 40-252, the Commission, having reviewed the record,
 16 concludes that it is in the public interest to approve the modifications to Decision No. 73091, as
 17 discussed herein.

18 4. The Commission further concludes that approval of an infrastructure surcharge
 19 recovery mechanism is consistent with the Commission's authority under the Arizona
 20 Constitution, Arizona ratemaking statutes, and applicable case law.

21 5. The Commission further concludes that it is in the public interest to approve the
 22 infrastructure surcharge for Bob D. Watkins d/b/a East Slop Water Company, as discussed herein.

23 ORDER

24 IT IS THEREFORE ORDERED that Decision No. 73091 is amended to adopt Staff's
 25 recommendations in Findings of Fact, Number 7, as discussed above.

26 IT IS FURTHER ORDERED that the infrastructure surcharge mechanism for Bob D.
 27 Watkins d/b/a East Slop Water Company is approved, as discussed herein.

28 IT IS FURTHER ORDERED that Bob D. Watkins d/b/a East Slop Water Company is
 hereby authorized and directed to file with the Commission's Docket Control, as a compliance

1 item in this docket, within 30 days of the effective date of this Decision, a revised tariff setting
2 forth the following infrastructure surcharges:

3 **MONTHLY INFRASTRUCTURE SURCHARGE**

4	5/8 x 3/4-Inch Meter	\$ 0.23
	3/4-Inch Meter	\$ 0.35
5	1-Inch Meter	\$ 0.58
	1 1/2-Inch Meter	\$ 1.15
6	2-Inch Meter	\$ 1.84
	3-Inch Meter Surcharge	\$ 3.69
7	4-Inch Meter Surcharge	\$ 5.76
8	6-Inch Meter Surcharge	\$ 11.52

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1 IT IS FURTHER ORDERED that Bob D. Watkins d/b/a East Slop Water Company shall
2 notify its customers of the infrastructure surcharge tariff approved herein within 30 days of the
3 effective date of this Decision.

4 IT IS FURTHER ORDERED that all other matters set forth in Decision No. 73091 shall
5 continue to be in full force and effect.

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

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

9
10 _____
11 CHAIRMAN

COMMISSIONER

12
13 _____
14 COMMISSIONER

COMMISSIONER

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 _____ day of _____, 2012.

20 _____
21 ERNEST G. JOHNSON
22 EXECUTIVE DIRECTOR

23 DISSENT: _____

24 DISSENT: _____

25 SMO:JMM:sms\RRM
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1 SERVICE LIST FOR: BOB B. WATKINS DBA EAST SLOPE WATER COMPANY

2 DOCKET NOS. W-02031A-10-0168, W-02327A-10-0169, W-01906A-10-0170, W-01906A-10-
3 0171, W-02031A-10-0171, W-02327A-10-0170, W-01906A-10-0183, W-02031A-10-0184 AND
4 W-02327A-10-0185.

4 Mrs. Bonnie L. O'Connor
5 President, Owner
6 Ste 107, 2015 Forbes Boulevard
7 Tucson, Arizona 85745

7 Mr. Steven M. Olea
8 Director, Utilities Division
9 Arizona Corporation Commission
10 1200 West Washington
11 Phoenix, Arizona 85007

11 Ms. Janice Alward
12 Chief, Legal Division
13 Arizona Corporation Commission
14 1200 West Washington
15 Phoenix, Arizona 85007

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