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BEFORE THE ARIZONA CORPORATION COMMISSION

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WORKSHEET BY *nr*

IN THE MATTER OF THE APPLICATION )  
OF CHAPARRAL CITY WATER )  
COMPANY FOR A DETERMINATION OF )  
THE CURRENT FAIR VALUE OF ITS )  
UTILITY PLANT AND PROPERTY AND )  
FOR INCREASE IN ITS RATES AND )  
CHARGES BASED THEREON )

DOCKET NO. W-02113A-13-0118

SUPPLEMENT TO  
APPLICATION

Through this filing, Chaparral City Water Company ("CCWC") submits the following draft BMP tariffs attached as Exhibit 1:

1. Local and/or Regional Messaging Program Tariff – BMP 1.1
2. Youth Conservation Education Program Tariff – BMP 2.2
3. New Homeowner Landscape Information Tariff – BMP 2.3
4. Residential Audit Program Tariff – BMP 3.1
5. Residential Interior Retrofit Program Tariff – BMP 3.4
6. Customer High Water Use Inquiry Resolution Tariff – BMP 3.6
7. Customer High Water Use Notification Tariff – BMP 3.7
8. Leak Detection Program Tariff – BMP 4.1
9. Water System Tampering Tariff – BMP 5.2
10. Meter Repair and/or Replacement Tariff – BMP 4.2

CCWC is submitting these tariffs in conjunction with its request for the implementation of a System Improvement Benefits ("SIB") mechanism. Mr. Jake Lenderking will sponsor these tariffs as part of his testimony in this proceeding. Except for the Meter Repair and/or Replacement Tariff for BMP 4.2, which has been slightly

1 revised based on discussions with Commission Staff, each of these drafts tariffs are the  
2 versions pre-approved by the Commission.

3 CCWC requests that the Commission approve these tariffs as part of an order  
4 authorizing CCWC to implement a SIB mechanism.

5 RESPECTFULLY SUBMITTED this 22nd day of August, 2013.

6 LEWIS AND ROCA, LLP

7  
8 By Michael T. Hallam  
9 Thomas H. Campbell  
10 Michael T. Hallam  
11 40 N. Central Avenue  
12 Phoenix, Arizona 85004  
13 Attorneys Chaparral City Water Company

12 ORIGINAL and thirteen (13) copies  
13 of the foregoing filed  
14 this 22nd day of August, 2013, with:

14 The Arizona Corporation Commission  
15 Utilities Division – Docket Control  
16 1200 W. Washington Street  
17 Phoenix, Arizona 85007

18 Copy of the foregoing hand-delivered  
19 this 22nd day of August, 2013, to:

18 Steve Olea  
19 Utilities Division  
20 Arizona Corporation Commission  
21 1200 W. Washington Street  
22 Phoenix, Arizona 85007

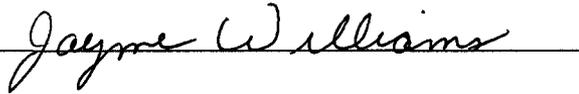
21 Lyn Farmer  
22 Chief Administrative Law Judge, Hearing Division  
23 Arizona Corporation Commission  
24 1200 West Washington Street  
25 Phoenix, AZ 85007

24 Janice Alward, Chief Counsel  
25 Legal Department  
26 Arizona Corporation Commission  
27 1200 W. Washington Street  
28 Phoenix, Arizona 85007

1 Copy of the foregoing mailed  
2 this 22nd day of August, 2013, to

3 Daniel W. Pozefsky, Chief Counsel  
4 Residential Utility Consumer Office  
5 1110 West Washington, Suite 220  
6 Phoenix, Arizona 85007

7 Andrew J. McGuire  
8 David A. Pennartz  
9 Landon W. Loveland  
10 Gust Rosenfeld, P.L.C.  
11 One East Washington, Suite 1600  
12 Phoenix, AZ 85004  
13 Attorneys for Town of Fountain Hills

14 A handwritten signature in cursive script, reading "Jayme Williams", is written over a horizontal line.

**EXHIBIT 1**

**Local and/or Regional Messaging Program Tariff – BMP 1.1**

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## **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 advertising (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.

**Youth Conservation Education Program Tariff – BMP 2.2**

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## **Youth Conservation Education Program Tariff – BMP 2.2**

### **PURPOSE**

A program for the Company to promote water conservation by increasing students' understanding of water resources and the need to conserve (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.2: Youth Conservation Education 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 work with schools in its service area to increase students' understanding of water resources and to promote water conservation.
2. The Company shall provide a combination of instructional assistance, education materials, teacher education, classroom presentations, and field trips to water related facilities.
3. The Company shall provide the following teacher resources.
  - a. Offer Project WET (Water Education for Teachers) workshops to teachers twice yearly. In lieu of Project WET the Company may market its Water Conservation Assembly Program to all schools within its service area. The Water Conservation Assembly Program will focus on teaching students about water resources and water conservation. The assembly itself will be an interactive water conservation discussion.
  - b. Provide free resource materials and information upon request.
  - c. Provide in-classroom presentations upon request.
4. The Company shall make available free take home educational materials for elementary school students.
5. The Company shall keep a record of the following information and make it available upon request.
  - a. A description of the youth conservation education process implemented.
  - b. The number of students reached (or an estimate).
  - c. A description of the written water conservation material provided free to students.
  - d. Costs of the Youth Conservation Education Program implementation.

**New Homeowner Landscape Information Tariff – BMP 2.3**

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## **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 offer and make available upon request 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, applicable rate tariffs, a basic interior/exterior water saving pamphlet, xeriscape landscape information, a list of low water use trees, plants, shrubs, etc., 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 Company shall keep a record of the number of packets provided to new customers and make it available to the Commission upon request.

**Residential Audit Program Tariff – BMP 3.1**

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## **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 to the Commission 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.

**Residential Interior Retrofit Program Tariff – BMP 3.4**

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## **Residential Interior Retrofit Program Tariff – BMP 3.4**

### **PURPOSE**

A program for the Company to promote water conservation by providing residential customers free or low cost plumbing fixtures for their residence (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.4: Residential Interior Retrofit 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 provide to residential customers that request them that live in homes built prior to the adoption of the 1990 Uniform Plumbing Code free or low cost low water use fixtures such as faucets, faucet aerators, low flow shower heads, toilets and toilet dams. The Company must offer the fixtures/fixture retrofits to all residential customers meeting the above criteria unless the Company can demonstrate that targeting certain portions of its water service area is likely to yield the highest participation and/or potential water savings.
2. The fixtures or retrofit kit shall include detailed instructions for installing the retrofit fixtures.
3. The Company shall select appropriate communications channels to advertize the program.
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 Residential Interior Retrofit Program including a description of the fixtures provided to customers and estimated water savings as a result of Program implementation.
  - b. The number of retrofit fixtures requested by customers and the number of fixtures provided.
  - c. Costs of the Residential Interior Retrofit Program.

**Customer High Water Use Inquiry Resolution Tariff – BMP 3.6**

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## **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 verify consumption and conduct a leak detection inspection and further assist the customer with water conservation measures.
4. The Company shall follow up on every customer inquiry or complaint and keep a record of inquiries and follow-up activities. The Company shall make this information available to the Commission upon request.

**Customer High Water Use Notification Tariff – BMP 3.7**

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## **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, verify the 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 possible high water-consumption occurrences, such as:
  - a. Leaks, running toilets, or valves or flappers that need to be replaced.
  - b. Irrigation system valves or sprinkler heads which may be leaking.
  - c. Sprinklers that may be watering the house, sidewalk, or street, etc. increasing irrigation requirements.
  - d. Leaking pool or spas and possible leaks around pumps.
  - e. More people in the home than usual taking baths and showers.
  - f. Doing more loads of laundry than usual.
  - g. Doing a landscape project or starting a new lawn.
  - h. Washing vehicles more often than usual.
6. The Company shall offer water conservation information that could benefit the customer, such as, but not limited to, audit programs, publications, and rebate programs.

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7. The Company shall assist the customer in determining what might be causing the high water usage as well as offer the customer information regarding water conservation and landscape watering guidelines. The Company shall confirm the accuracy of the customer meter if requested to do so by the customer (applicable meter testing fees shall apply).
8. 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. The Company shall make this information available to the Commission upon request.

**Leak Detection Program Tariff – BMP 4.1**

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**Meter Repair and/or Replacement Tariff – BMP 4.2**

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## **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 and to repair or replace them (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. The Company will test, repair, or replace water meters in accordance with its meter testing and replacement guidelines, which include, but are not limited to, usage and length of time in service, as appropriate and necessary to maintain acceptable water meter accuracy.
2. The Company will test all meters that have caused a meter reading complaint to be filed with the Arizona Corporation Commission.
3. Meters larger than 2-inch shall be tested 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.
4. The test will be accomplished by one of the following:
  - a. 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.
  - b. Utilizing equipment to verify that all electronic components are within manufacturer specifications and are operating properly.
5. In addition, meters shall be randomly selected for flow testing utilizing a flow through detector testing meter.
6. All replacement water meters shall register in gallons:
  - a. All new 1-inch and smaller meters that are installed will register usage in 1 gallon increments,
  - b. All new 1-1/2-inch through 4-inch meters that are installed will register in 10 gallon increments, and
  - c. All new 6-inch and larger meters that are installed will register in 100 gallon increments.

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7. The Company shall keep records on the number of meters that were replaced and make this information available to the Commission upon request.

**Water System Tampering Tariff – BMP 5.2**

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## **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 make available to all its customers 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.