

COMMISSIONERS
SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

OPEN MEETING ITEM



0000161007

ORIGINAL

ARIZONA CORPORATION COMMISSION

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL

2015 JUN 23 AM 9 24

DATE: JUNE 23, 2015
DOCKET NO.: W-02325A-14-0322
TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Scott M. Hesla. The recommendation has been filed in the form of an Order on:

GREENEHAVEN WATER COMPANY, INC.
(RATES)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

JULY 2, 2015

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

JULY 7, 2015 and JULY 8, 2015

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission

DOCKETED

JUN 23 2015

DOCKETED BY	<i>BAU</i>
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JODI JERICH
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET, PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701-1347

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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SBernal@azcc.gov.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 SUSAN BITTER SMITH - Chairman
4 BOB STUMP
5 BOB BURNS
6 DOUG LITTLE
7 TOM FORESE

8 IN THE MATTER OF THE APPLICATION OF
9 GREENEHAVEN WATER COMPANY, INC. FOR
10 A PERMANENT RATE INCREASE.

DOCKET NO. W-02325A-14-0322

11 DECISION NO. _____

12 ORDER

13 Open Meeting
14 July 7 and 8, 2015
15 Phoenix, Arizona

16 **BY THE COMMISSION:**

17 * * * * *

18 Having considered the entire record herein and being fully advised in the premises, the
19 Commission finds, concludes, and orders that:

20 FINDINGS OF FACT

21 Procedural History

22 1. On September 3, 2014, Grenehaven Water Company, Inc. ("Grenehaven Water" or
23 "Company") filed an application with the Arizona Corporation Commission ("Commission") for a
24 determination of the current fair value of its utility plants and property and for increases in its rates
25 and charges for water utility service provided to customers in the Company's service area in
26 Coconino County, Arizona.

27 2. On October 2, 2014, the Commission's Utilities Division ("Staff") issued a Letter of
28 Deficiency stating that the Company's application did not meet the sufficiency requirements outlined
in the Arizona Administrative Code ("A.A.C.") R14-2-103.

3. On October 31, 2014, the Company filed a Response to Deficiency Letter.

4. On November 14, 2014, Staff issued a Second Letter of Deficiency requesting further
information from the Company.

1 5. On December 19, 2014, the Company filed a Response to Second Deficiency Letter.

2 6. On December 31, 2014, Staff filed a Letter of Sufficiency indicating the Company's
3 application had met the sufficiency requirements outlined in A.A.C. R14-2-103 and classifying
4 Greenthaven Water as a Class D Utility.

5 7. On January 20, 2015, Greenthaven Water filed a Notice of Change of Authorized
6 Representative.

7 8. On March 16, 2015, Staff filed its Staff Report recommending approval of the
8 application using Staff's recommended rates and charges.

9 9. On March 20, 2015, the Company filed a Motion for Extension of Time requesting
10 that the deadline for filing comments to the Staff Report be extended to April 7, 2015.

11 10. On March 26, 2015, a Procedural Order was issued granting the Company's Motion
12 for Extension of Time.

13 11. On April 7, 2015, the Company filed its Response to Staff Report.

14 **Background**

15 12. Greenthaven Water is a public service corporation providing water service to
16 approximately 315 customers in the Greenthaven Development, adjacent to the Lake Powell National
17 Recreation Area located in Coconino County, approximately six miles northeast of Page, Arizona.
18 The Commission approved the Company's present rates and charges in Decision No. 54777
19 (November 13, 1985).

20 13. Greenthaven Sewer is registered as an Arizona C Corporation and is in good standing
21 with the Commission's Corporations Division.

22 14. The Company's water system consists of one well capable of producing 250 gallons
23 per minute, one 500,000 gallon storage tank, three booster bumps, one pump house, one backup
24 generator, four pressure reduction stations, and a distribution system. During the test year ending
25 December 31, 2013, the Company reported 29,089,000 gallons of water pumped and 24,478,000
26 gallons of water sold, resulting in a water loss of 15.85 percent, which exceeds the 10 percent limit
27 acceptable to Staff.

28

1 15. Staff states that it discussed the water loss issue with the Company and the Company
2 has identified two potential causes: 1) a broken check valve in the water supply line to the storage
3 tank;¹ and 2) a meter replacement program that commenced in 2013.²

4 16. Staff concludes that the Company's water system has adequate capacity to serve its
5 existing customer base and reasonable growth. The Company estimates its service area will
6 experience minimal growth.

7 17. Staff's Consumer Services Section database for the period beginning January 1, 2012
8 to September 1, 2014, shows zero complaints filed against the Company. Staff notes that 7 opinions
9 were filed opposing the Company's requested rate increase.

10 18. Staff's Compliance Section database shows no outstanding compliance issues for the
11 Company.

12 19. According to an Arizona Department of Environmental Quality ("ADEQ")
13 Compliance Status Report dated October 1, 2014, Grenehaven Water has no major deficiencies and
14 is currently delivering water that meets the water quality standards required by 40 C.F.R. §§ 141.1, *et*
15 *seq.* (National Primary Drinking Water Regulations) and A.A.C., Title 18, Chapter 4.

16 20. Grenehaven Water is not within an Arizona Department of Water Resources
17 ("ADWR") active management area ("AMA"). In a Water Provider Compliance Report dated
18 October 17, 2014, ADWR determined that the Company is currently in compliance with departmental
19 requirements governing water providers and/or community water systems.

20 21. Grenehaven Water has Commission-approved Backflow and Curtailment tariffs.

21 **Ratemaking**

22 22. The rates and charges for the Company at present, as proposed in the rate application,
23 and as recommended by Staff are as follows:

<u>MONTHLY USAGE CHARGES:</u>	<u>Current Rates</u>	<u>Company Proposed</u>	<u>Staff Recommended</u>
5/8" x 3/4" Meter	\$9.00 (includes 1,000 gallons)	\$16.00	\$10.00
3/4" Meter	N/A	24.00	15.00
1" Meter	N/A	40.00	25.00

24
25
26
27
28 ¹ The Company represented to Staff that a new check valve has been ordered and will be installed upon delivery.

² According to the Company, four meters were replaced in 2013 and thirty meters were replaced in 2014.

1	1 1/2" Meter	N/A	80.00	50.00
	2" Meter	N/A	128.00	80.00
2	3" Meter	N/A	256.00	160.00
	4" Meter	N/A	400.00	250.00
3	6" Meter	N/A	800.00	500.00
4	<u>Irrigation</u>			
5	5/8" x 3/4" Meter	N/A	\$10.00	\$5.00
	3/4" Meter	N/A	15.00	7.50
6	1" Meter	N/A	25.00	12.50
	1 1/2" Meter	N/A	50.00	25.00
7	2" Meter	N/A	80.00	40.00
	3" Meter	N/A	160.00	80.00
8	4" Meter	N/A	250.00	125.00
9	6" Meter	N/A	500.00	250.00

COMMODITY CHARGES:

(Per 1,000 gallons)		<u>Current</u>	<u>Company Proposed</u>	<u>Staff Recommended</u>
11				
12	Flat Rate	\$1.50	N/A	N/A
13				
14	5/8" x 3/4" and 3/4" Meter			
15	First 3,000 gallons	N/A	\$1.25	\$1.00
16	3,001 to 9,000 gallons	N/A	1.88	2.40
17	Over 9,000 gallons	N/A	2.45	3.50
18				
19	1" Meter			
20	First 15,000 gallons	N/A	1.88	\$2.40
21	Over 15,000 gallons	N/A	2.45	3.50
22				
23	1 1/2" Meter			
24	First 30,000 gallons	N/A	1.88	\$2.40
25	Over 30,000 gallons	N/A	2.45	3.50
26				
27	2" Meter			
28	First 50,000 gallons	N/A	1.88	\$2.40
	Over 50,000 gallons	N/A	2.45	3.50
29				
30	3" Meter			
31	First 100,000 gallons	N/A	1.88	\$2.40
32	Over 100,000 gallons	N/A	2.45	3.50
33				
34	4" Meter			
35	First 150,000 gallons	N/A	1.88	\$2.40
36	Over 150,000 gallons	N/A	2.45	3.50

6" Meter

First 310,000 gallons	\$2.60	1.88	\$2.40
Over 310,000 gallons	3.10	2.45	3.50
Water Sprinkling Day (all gallons)	\$1.20	N/A	N/A
Water Sprinkling Night (all gallons)	\$0.90	N/A	N/A
Irrigation (all gallons)	N/A	\$1.30	\$1.20

<u>Meter Size</u>	<u>Current Rates</u>		<u>Company Proposed Rates</u>		<u>Line Charge</u>		<u>Staff Recommended Service Meter Charge</u>		<u>Total Charges</u>	
	<u>Total Charges</u>		<u>Total Charges</u>							
5/8 x 3/4"	\$50		\$600		\$445		\$155		\$600	
3/4"	N/A		700		445		255		700	
1"	N/A		810		495		315		810	
1 1/2"	N/A		1,075		550		525		1,075	
	Turbo	Compound	Turbo	Compound	Turbo	Compound	Turbo	Compound	Turbo	Compound
2"	N/A	N/A	1,875	2,720	830	830	1,045	1,890	1,875	2,720
3"	N/A	N/A	2,715	3,710	1,045	1,165	1,670	2,545	2,715	3,710
4"	N/A	N/A	4,160	5,315	1,490	1,670	2,670	3,645	4,160	5,315
6"	N/A	N/A	7,235	9,250	2,210	2,330	5,025	6,920	7,235	9,250
Over 6"			At Cost	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost

	<u>Current Rates</u>	<u>Company Proposed</u>	<u>Staff Recommended</u>
<u>SERVICE CHARGES:</u>			
Establishment	N/A	\$30.00	\$30.00
Reconnection (Delinquent)	N/A	\$30.00	\$30.00
Meter Test (If Correct)	\$40.00	\$40.00	\$40.00
Deposit	N/A	*	*
Deposit Interest	N/A	*	*
NSF Check	\$10.00	\$30.00	\$25.00 (a)
Deferred Payment (Per Month)	N/A	**	**
Meter Re-Read	\$10.00	\$25.00	\$25.00
Late Payment Fee (Per Month)	N/A	1.5% per month	1.5% per month
After Hours Service Charge (at customer request)	N/A	\$35.00	\$35.00
Re-Establishment (Within 12 Months)	N/A	***	N/A

* Per A.A.C. R14-2-403(B).
 ** Per A.A.C. R14-2-409(G).
 *** Number of months off the system times the monthly minimum per A.A.C. R14-2-403(D).
 (a) The Company may only charge one NSF fee when customers are billed for water and sewer services on one bill.

23. Grenehaven Water proposed an original cost rate base ("OCRB") of \$23,277 and has waived the right to reconstruction cost new rate base.

24. Staff determined the Company's OCRB to be \$14,491, due to Staff's increases of \$100,448 to accumulated depreciation; \$84,407 to amortization of Contributions-in-Aid-of-Construction ("CIAC"); and \$7,255 to cash working capital. Staff's increases to accumulated

1 depreciation and amortization of CIAC were the result of Staff's adjustment of the depreciation and
2 amortization rates.

3 25. In its Response to the Staff Report, the Company states that it agrees with Staff's
4 adjustments to the OCRB.

5 26. We find that Staff's adjustments to the Company's OCRB are reasonable and
6 appropriate and we will adopt them. We further find that the Company's fair value rate base
7 ("FVRB") is equivalent to its OCRB and is \$14,491.

8 27. Staff did not make any adjustments to the Company's proposed test year operating
9 revenues. We find that the Company's test year operating revenues are reasonable and appropriate,
10 and we adopt a test year revenue figure of \$54,440.

11 28. Staff made several adjustments to the Company's proposed test year operating
12 expenses, resulting in a decrease of \$7,820, from \$74,926 to \$67,106. The decrease to the
13 Company's operating expenses is due to Staff's adjustments to water testing expense, insurance
14 expense, rate case expense, depreciation expense, and income tax expense.

15 29. During the test year, the Company's insurance expense was shared among
16 Greenthaven Development Company, Greenthaven Water Company, and Greenthaven Sewer. Staff
17 allocated one-third of the expense to Greenthaven Development Company, and employed a four-
18 factor cost methodology to allocate the remaining insurance expense between Greenthaven Water
19 Company and Greenthaven Sewer. The four factors considered by Staff are: (1) operating revenue;
20 (2) number of connections; (3) net plant; and (4) purchased power. Based on Staff's analysis, the
21 allocation percentage of insurance expense to Greenthaven Sewer was 43.62 percent.

22 30. In its Response to the Staff Report, the Company indicates that it accepts Staff's
23 proposed adjustments to wastewater testing expense, insurance expense, rate case expense, and
24 depreciation expense. The Company proposes an adjusted operating expense of \$75,690. The
25 Company indicates that its adjusted operating expense remains higher than Staff's because the
26 Company is requesting a larger revenue requirement which has a corresponding effect to property tax
27 expense and income tax expense.

28

1 31. We find that Staff's adjustments to the Company's proposed operating expenses are
2 reasonable and appropriate, and we adopt Staff's adjusted test year expense figure of \$67,106.

3 32. Based on Staff's analysis, the Company's present rates and charges produced
4 operating revenues of \$54,440 and adjusted test year operating expenses of \$67,106, resulting in test
5 year operating loss of \$12,666 for no rate of return on the Company's FVRB.

6 33. The Company's application requested a revenue increase of \$50,000 over test year
7 revenues, or 91.84 percent, for total revenues of \$104,440. In its Response to the Staff Report, the
8 Company revised its revenue increase to \$42,000 over test year revenues, or 77.15 percent, for total
9 revenues of \$96,440. The Company's proposed operating expenses of \$75,690, results in an
10 operating income of \$20,750; a rate of return of 143.19 percent; and an operating margin of 21.52
11 percent.

12 34. Staff's recommended rates and charges result in a \$29,046 increase over test year
13 revenues, or 53.35 percent, for total revenues of \$83,486. Using the adjusted operating expense
14 figure of \$67,106 adopted herein, this would result in operating income of \$10,274; a rate of return of
15 70.90 percent; and an operating margin of 12.31 percent.

16 35. The Company's proposed rates would increase the typical residential 5/8 x 3/4-inch
17 meter bill with a median usage of 2,934 gallons by \$7.77, or 65.29 percent, from \$11.90 to \$19.67.

18 36. The Company states that its recommended increase in revenues will result in a cash
19 flow for Greenthaven Water of \$21,810 per year.

20 37. Staff's recommended rates would increase the typical residential 5/8 x 3/4-inch meter
21 bill with a median usage of 2,934 gallons by \$1.03, or 8.68 percent, from \$11.90 to \$12.93, and
22 increase the monthly water bill for the same customers with median usage by \$2.39, or 9.49 percent,
23 from \$25.16 to \$27.55.

24 38. Staff's proposed revenue requirement results in a cash flow for the Company of
25 \$11,334 per year. Staff states that its recommended increase in revenues will provide the Company
26 with sufficient cash flow to pay operating expenses and contingencies.

27 39. The Company argues that Staff's proposed revenue requirement will not provide the
28 Company with enough money to pay its expenses and maintain the system. The Company submits

1 that in October of 2014, Greenthaven Water incurred a cost of \$16,382 to replace a failed pump. The
2 Company asserts that under Staff's proposed revenue requirement, "the Company will be lucky to
3 break even financially." The Company maintains that its proposed revenue requirement will put
4 Greenthaven Water in a sound financial position that will enable it to meet rising costs, pay for
5 substantial repairs like well pump failures, and allow the Company to make system improvements
6 from time to time.

7 40. The Company further argues that Staff's proposed rate design almost ensures that the
8 Company will never earn its required income because nearly 67 percent of the revenues would be
9 recovered from the commodity charges. The Company argues that as customers conserve water, the
10 Company will recover less revenue than expected. The Company contends that its proposed rate
11 design will provide revenue stability while keeping residential rates low.

12 41. The Company objects to Staff's recommendation that Greenthaven Water implement
13 BMPs. According to the Company, Greenthaven Water is in compliance with ADWR rules and
14 there is no reason for the Commission to require BMPs.

15 **Staff's Recommendations**

16 42. Staff recommends the following:

- 17 a) That Staff's recommended rates and charges be approved;
- 18 b) That Greenthaven Water file with Docket Control, as a compliance item in this
19 docket, within 30 days of the effective date of this Decision, a schedule of the rates
20 and charges approved herein;
- 21 c) That Greenthaven Water be ordered to use the depreciation rates delineated in
22 Table C of the Engineering Report portion of the Staff Report in this matter;
- 23 d) That Greenthaven Water be ordered to keep invoices for plant assets purchased in
24 the future;
- 25 e) That Greenthaven Sewer use a 4-factor cost allocation methodology to charge
26 indirect costs;
- 27 f) That Greenthaven Water monitor its water system and record the gallons pumped
28 and sold to determine the non-account water for one full year. The Company

1 should coordinate when it reads the well meter each month with the customer
2 billing so that an accurate accounting is determined. The results of this monitoring
3 and reporting shall be filed with Docket Control, as a compliance item in this
4 docket, within 13 months of the effective date of this Decision. If the reported
5 water loss is greater than 10 percent, the Company shall prepare a report
6 containing a detailed analysis and plan to reduce the water loss to 10 percent or
7 less. If the Company believes it is not cost effective to reduce the water loss to
8 less than 10 percent, it should submit a detailed cost benefit analysis to support its
9 opinion. In no case shall the Company allow water loss to be greater than 15
10 percent. The water loss reduction report or the detailed analysis, whichever is
11 submitted, shall be filed with Docket Control, as a compliance item in this docket,
12 within 13 months of the effective date of this Decision;

13 g) That Greenhaven Water file with Docket Control, as a compliance item in this
14 docket, within 90 days of the effective date of this Decision, at least three Best
15 Management Practices (“BMPs”) in the form of tariffs that substantially conform
16 to the templates created by Staff for the Commission’s review and consideration.
17 The templates created by Staff are available on the Commission’s website at
18 <http://www.azcc.gov/Divisions/Utilities/forms.asp>. Staff further recommends that
19 a maximum of two BMPs may come from the “Public Awareness/Public
20 Relations” or “Education and Training” categories. The Company may request
21 cost recovery of the actual costs associated with the BMPs implemented in its next
22 general rate application; and

23 h) That Greenhaven Water post a sign at its well and tank site that complies with
24 ADEQ requirements and includes the following information: system name; system
25 PWS ID number; and emergency contact phone number(s). Staff further
26 recommends that the Company file with Docket Control, as a compliance item in
27 this docket, within 45 days of the effective date of this Decision, documentation
28 demonstrating compliance with this recommendation.

1 **Resolution**

2 43. We find that Staff's recommended revenues will provide sufficient cash flow to allow
3 the Company to meet its ongoing expenses and fund contingencies. We further find that Staff's
4 recommended rates and charges are just and reasonable and should be adopted.

5 44. The Company opposes Staff's recommendation that Greenhaven Water adopt at least
6 three BMPs. Although we appreciate Staff's recommendation, we find that it is not in the public
7 interest at this time to require the Company to adopt BMPs and file the related tariffs as
8 recommended by Staff. Our finding in this matter is consistent with previous Commission decisions,
9 whereby utilities located outside of an AMA were not required to adopt BMPs and file BMP tariffs
10 with the Commission.³

11 45. We note that the Company's current rates and charges were set by the Commission in
12 1985. In the interest of promoting rate gradualism and to mitigate future rate shock to customers, we
13 find that it is reasonable and appropriate to require the Company to file its next general rate case no
14 later than August 1, 2020, with a test year ending December 31, 2019.

15 46. Because an allowance for the property tax expense is included in the Company's rates
16 and will be collected from its customers, the Commission seeks assurances from Greenhaven Water
17 that any taxes collected from ratepayers have been remitted to the appropriate taxing authority. It has
18 come to the Commission's attention that a number of water companies have been unwilling or unable
19 to fulfill their obligation to pay the taxes that were collected from its ratepayers, some for as many as
20 twenty years. It is reasonable, therefore, that as a preventive measure Greenhaven Water shall file
21 annually, as part of its annual report, an affidavit with the Commission's Utilities Division attesting
22 that the Company is current in paying its Arizona property taxes.

23 47. Staff's recommendations set forth in Findings of Fact No. 42, as modified herein, as
24 well as the requirement stated in Findings of Fact Nos. 45 and 46, are reasonable and shall be
25 adopted.

26
27
28 ³ See, e.g., Decision Nos. 74391 (March 19, 2014); 74446 (April 18, 2014); and 74597 (July 30, 2014).

CONCLUSIONS OF LAW

1
2 1. Greenhaven Water Company, Inc. is a public service corporation within the meaning
3 of Article XV of the Arizona Constitution and A.R.S. §§ 40-250 and 40-251.

4 2. The Commission has jurisdiction over Greenhaven Water Company, Inc. and the
5 subject matter of the rate application.

6 3. Notice of the rate application was given in accordance with the law.

7 4. Greenhaven Water Company, Inc.'s fair value rate base is \$14,491.

8 5. The rates and charges and terms and conditions of service authorized herein are just
9 and reasonable and in the public interest and should be approved without a hearing.

10 6. Staff recommendations set forth in Findings of Fact No. 42, as modified herein, as
11 well as the requirement stated in Findings of Fact Nos. 45 and 46, are just and reasonable and in the
12 public interest.

13 **ORDER**

14 IT IS THEREFORE ORDERED that Greenhaven Water Company, Inc. is hereby directed to
15 file with Docket Control, as a compliance item in this docket, on or before July 31, 2015, revised rate
16 schedules setting forth the following rates and charges:

17 **MONTHLY USAGE CHARGES:**

18	5/8" x 3/4" Meter	10.00
	3/4" Meter	15.00
19	1" Meter	25.00
	1 1/2" Meter	50.00
20	2" Meter	80.00
	3" Meter	160.00
21	4" Meter	250.00
22	6" Meter	500.00

23 **Irrigation**

24	5/8" x 3/4" Meter	\$5.00
	3/4" Meter	7.50
25	1" Meter	12.50
	1 1/2" Meter	25.00
26	2" Meter	40.00
	3" Meter	80.00
27	4" Meter	125.00
28	6" Meter	250.00

COMMODITY CHARGES:

(Per 1,000 gallons)

5/8" x 3/4" and 3/4" Meter

First 3,000 gallons	\$1.00
3,001 to 9,000 gallons	2.40
Over 9,000 gallons	3.50

1" Meter

First 15,000 gallons	\$2.40
Over 15,000 gallons	3.50

1 1/2" Meter

First 30,000 gallons	\$2.40
Over 30,000 gallons	3.50

2" Meter

First 50,000 gallons	\$2.40
Over 50,000 gallons	3.50

3" Meter

First 100,000 gallons	\$2.40
Over 100,000 gallons	3.50

4" Meter

First 150,000 gallons	\$2.40
Over 150,000 gallons	3.50

6" Meter

First 310,000 gallons	\$2.40
Over 310,000 gallons	3.50

Irrigation (all gallons) \$1.20

<u>Meter Size</u>	<u>Line Charge</u>		<u>Meter Charge</u>		<u>Total Charges</u>	
5/8 x 3/4"		\$445		\$155		\$600
3/4"		445		255		700
1"		495		315		810
1 1/2"		550		525		1,075
	Turbo	Compound	Turbo	Compound	Turbo	Compound
2"	830	830	1,045	1,890	1,875	2,720
3"	1,045	1,165	1,670	2,545	2,715	3,710
4"	1,490	1,670	2,670	3,645	4,160	5,315
6"	2,210	2,330	5,025	6,920	7,235	9,250
Over 6"	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost

...
...
...

SERVICE CHARGES:

1	Establishment	\$30.00
2	Reconnection (Delinquent)	\$30.00
	Meter Test (If Correct)	\$40.00
3	Deposit	*
	Deposit Interest	*
4	NSF Check	\$25.00 (a)
5	Deferred Payment (Per Month)	**
	Meter Re-Read	\$25.00
6	Late Payment Fee (Per Month)	1.5% per month
	After Hours Service Charge (at customers request)	\$35.00
7	Re-Establishment (Within 12 Months)	***

8 * Per A.A.C. R14-2-403(B).

9 ** Per A.A.C. R14-2-409(G).

10 *** Number of months off the system times the monthly minimum per A.A.C. R14-2-403(D).

(a) The Company may only charge one NSF fee when customers are billed for water and sewer services on one bill.

11 IT IS FURTHER ORDERED that the above rates and charges shall be effective for all service
12 provided on or after August 1, 2015.

13 IT IS FURTHER ORDERED that Greenthaven Water Company, Inc. shall notify its
14 customers of the authorized rates and charges and their effective date, in a form acceptable to the
15 Commission's Utilities Division Staff, by means of an insert in its next regularly scheduled billing.

16 IT IS FURTHER ORDERED that Greenthaven Sewer Company, Inc. shall file its next
17 general rate case no later than August 1, 2020, with a test year ending December 31, 2019.

18 IT IS FURTHER ORDERED that Greenthaven Water Company, Inc. shall use the
19 depreciation rates delineated in Table C of the Engineering Report portion of the Staff Report in this
20 matter.

21 IT IS FURTHER ORDERED that Greenthaven Water Company, Inc. shall employ the four-
22 factor cost allocation methodology to charge indirect costs, as discussed herein.

23 IT IS FURTHER ORDERED that Greenthaven Water Company, Inc. shall keep and maintain
24 all invoices for plant assets purchased or acquired subsequent to the effective date of this Decision.

25 IT IS FURTHER ORDERED that Greenthaven Water Company, Inc. shall file with Docket
26 Control, as a compliance item in this docket, within 13 months of the effective date of this Decision,
27 a report documenting the number of gallons pumped and sold to determine the non-account water for
28 the period of one full year. The Company should coordinate when it reads the well meter each month

1 with the customer billing so that an accurate accounting is determined. If the reported water loss is
2 greater than 10 percent, the Company shall prepare a report containing a detailed analysis and plan to
3 reduce the water loss to 10 percent or less. If the Company believes it is not cost effective to reduce
4 the water loss to less than 10 percent, it should submit a detailed cost benefit analysis to support its
5 opinion. In no case shall the Company allow water loss to be greater than 15 percent. The water loss
6 reduction report or the detailed analysis, whichever is submitted, shall be filed with Docket Control,
7 as a compliance item in this docket, within 13 months of the effective date of this Decision.

8 IT IS FURTHER ORDERED that Grenehaven Water Company, Inc. shall post a sign at its
9 well and tank site that complies with ADEQ requirements and includes the following information:
10 system name; system PWS ID number; and emergency contact phone number(s).

11 IT IS FURTHER ORDERED that Grenehaven Water Company, Inc. shall file with Docket
12 Control, as a compliance item in this docket, within 45 days of the effective date of this Decision,
13 documentation certifying that signage has been posted at the well and tank site, as ordered herein.

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1 IT IS FURTHER ORDERED that Grenehaven Water Company, Inc. shall file annually, as
2 part of its Annual Report, an affidavit with the Commission's Utilities Division attesting that it is
3 current in paying its property taxes in Arizona.

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

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

6

7

8 CHAIRMAN _____ COMMISSIONER _____

9

10 COMMISSIONER _____ COMMISSIONER _____ COMMISSIONER _____

11

12 IN WITNESS WHEREOF, I, JODI JERICH, Executive
13 Director of the Arizona Corporation Commission, have
14 hereunto set my hand and caused the official seal of the
15 Commission to be affixed at the Capitol, in the City of Phoenix,
16 this _____ day of _____ 2015.

15

16 JODI JERICH _____
17 EXECUTIVE DIRECTOR

17

18 DISSENT _____

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20 DISSENT _____
21 SMH:ru/tv

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1 SERVICE LIST FOR: GREENEHAVEN WATER COMPANY, INC.

2 DOCKET NO.: W-02325A-14-0322

3
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10 Janice Alward, Chief Counsel
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