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## ARIZONA CORPORATION COMMISSION

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### **Commission Adopts Policies to Ensure Safe and Reliable Water to Customers Statewide**

(Phoenix) The Arizona Corporation Commission approved key measures that will help water companies statewide become more sustainable and provide emergency help to ensure safe reliable water to customers.

Chairman Doug Little and Commissioner Andy Tobin both introduced new policy statements that were approved unanimously at a Special Open Meeting.

Small water utilities provide service to many rural areas throughout Arizona. Historically, many of the utilities have had serious financial and operational challenges. The Chairman's policies adopted today are intended to fix the problems faced by these small utilities. The policies provide for more efficient processing of rate cases; provide for mechanisms these companies can use in emergencies; and provides needed guidance on how rates should balance the goals of fairness to customers, water conservation and financial stability.

The policy statement also addressed longstanding questions surrounding appropriate income small utilities should be allowed. Additionally, incentives intended to encourage larger utilities to purchase and improve small troubled systems were adopted. All of these policies should enhance Arizona water utilities' ability to attract capital and to more efficiently serve their customers.

"This is the first major step to solving a decade's long problem in Arizona," said Chairman Little. "The struggling water companies need to have some clear direction in order to continue operating or become stable enough in order to be acquired by a larger company. This is truly a historic day where streamlining complicated processes will benefit the customers who will be more confident that they will have access to safe water."

Commissioner Tobin introduced policies which include Commission Staff participation in the recently formed Water Emergency Team (WET). WET consists of representatives from other government agencies and water providers to facilitate immediate relief where there is an imminent threat to public health and safety.

Tobin's newly adopted policies also reduce regulatory burdens on small companies which could create delays in water emergencies. The Commission also approved his proposal to create a Small Water Ombudsman Office. That office will offer more points of contact for water companies in an emergency, but also will offer resources to proactively solve problems before an outage or emergency occurs.

"While it's easy to prove that government often moves slow and painfully misses the target, that can't be said today about the Arizona Corporation Commission," said Commissioner Andy Tobin. "Months of work and deep concern by the Commission about rural water crises brought the public, private and consumer stakeholders together and fostered rare cooperation to solve often cataclysmic small, rural private water company issues. The comprehensive package of policy statements we passed unanimously lays the groundwork to prevent future water emergencies. While this will take time to perfect, I thank all

of the stakeholders and my fellow Commissioners for their attention and contributions to the process of leading on this issue in the right direction.”

The Commission will continue its water policy discussion in a workshop on September 8<sup>th</sup>.