

A dramatic landscape photograph of an Arizona desert canyon at sunset. The sun is low on the horizon, creating a bright orange glow that fills the sky and reflects off the canyon walls. The sky is filled with dark, heavy clouds. The canyon walls are made of reddish-brown rock, with some green desert shrubs visible in the foreground. The overall mood is serene and majestic.

Arizona's Water Utilities

Lea Márquez Peterson, Chairwoman
Arizona Corporation Commission



The Arizona Corporation Commission

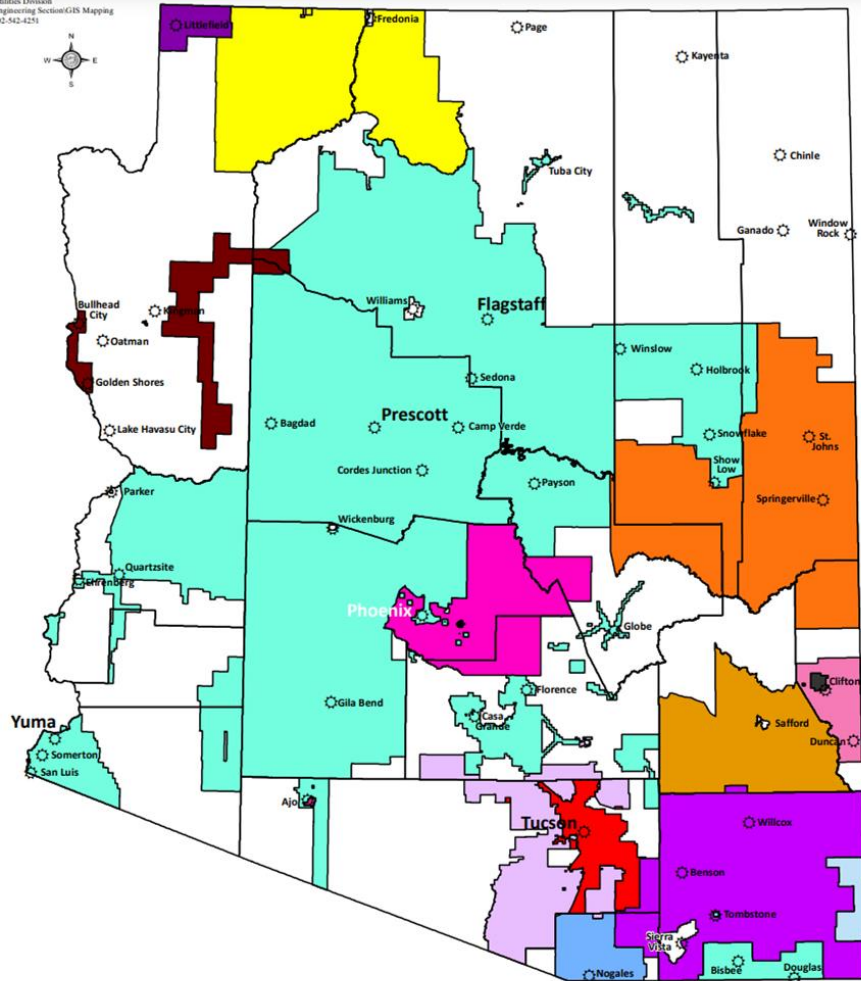


- “The Arizona Corporation Commission’s mission is to ensure safe, reliable, and affordable utility services . . .”

The Arizona Corporation Commission

- Article 15 of the Arizona Constitution establishes the Arizona Corporation Commission.
- Only 7 states have constitutionally formed Commissions.
- Arizona is one of only 10 states with elected Commissioners.





STATE OF ARIZONA - ELECTRIC

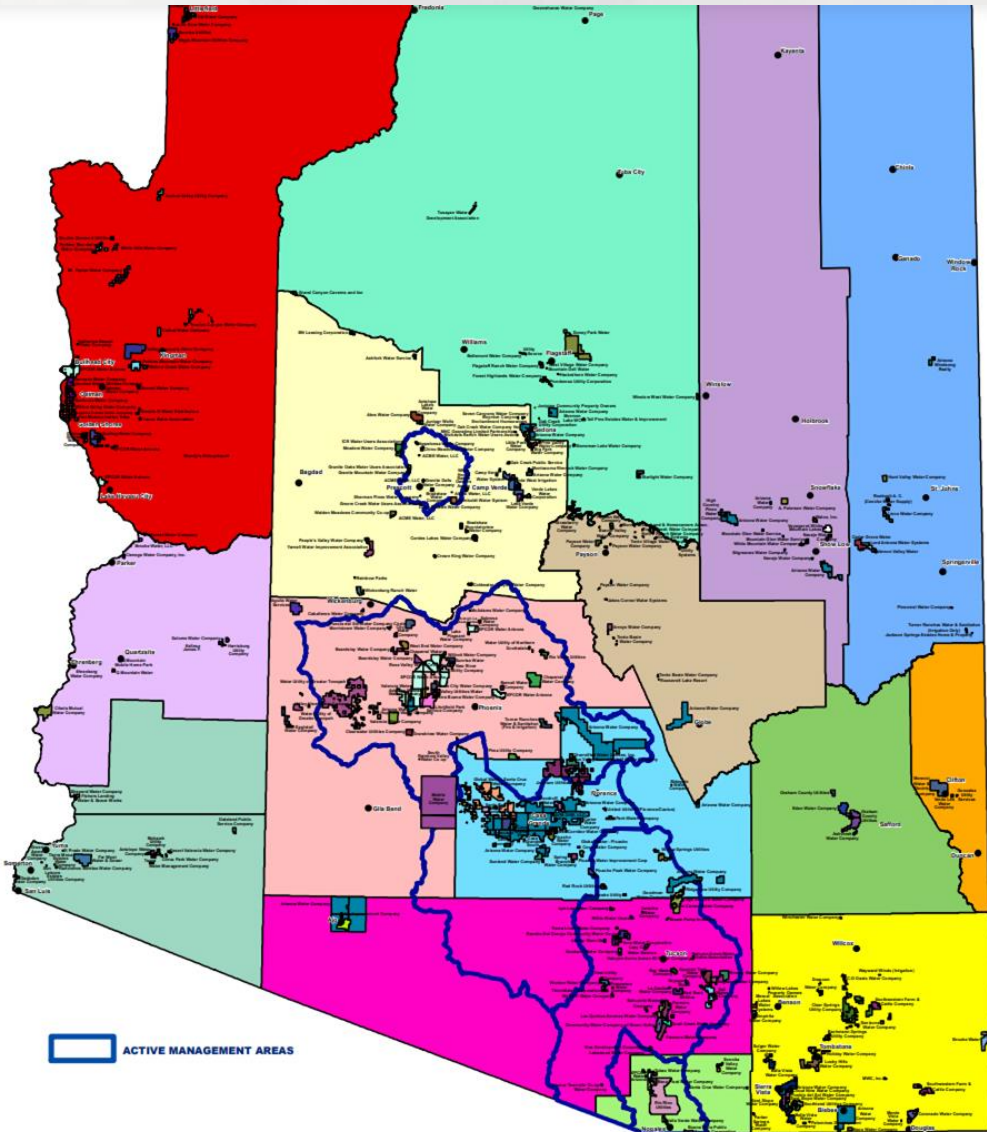
Ajo Improvement Company	Duncan Valley Electric Cooperative	Navopache Electric Co-op
Arizona Public Service	Garkane Power Association	Salt River Project
City of Mesa	Graham County Electric Cooperative	Sulphur Springs Valley Electric Co-op
Columbus Electric Co-op	Mohave Electric Cooperative	Trico Electric Cooperative
Dixie Escalante Rural Electric Association	Morenci Water & Electric Company	Tucson Electric Power
		UNS Electric, Inc.

Revised July 1, 2018

Arizona's Regulated Electric Utilities



Electric Retail Co-ops



Revised July 1, 2018

STATE OF ARIZONA
WATER COMPANIES REGULATED BY THE
CORPORATION COMMISSION

Arizona's Regulated Water Utilities





Quick Facts

- Tucson Water – municipal; regulated by the Mayor and Council
- 400 regulated entities with half a dozen larger water utilities in Arizona – multi state
- But...Over 70 small water utilities that haven't had a rate case in more than 20 years

Arizona's largest private water utilities...

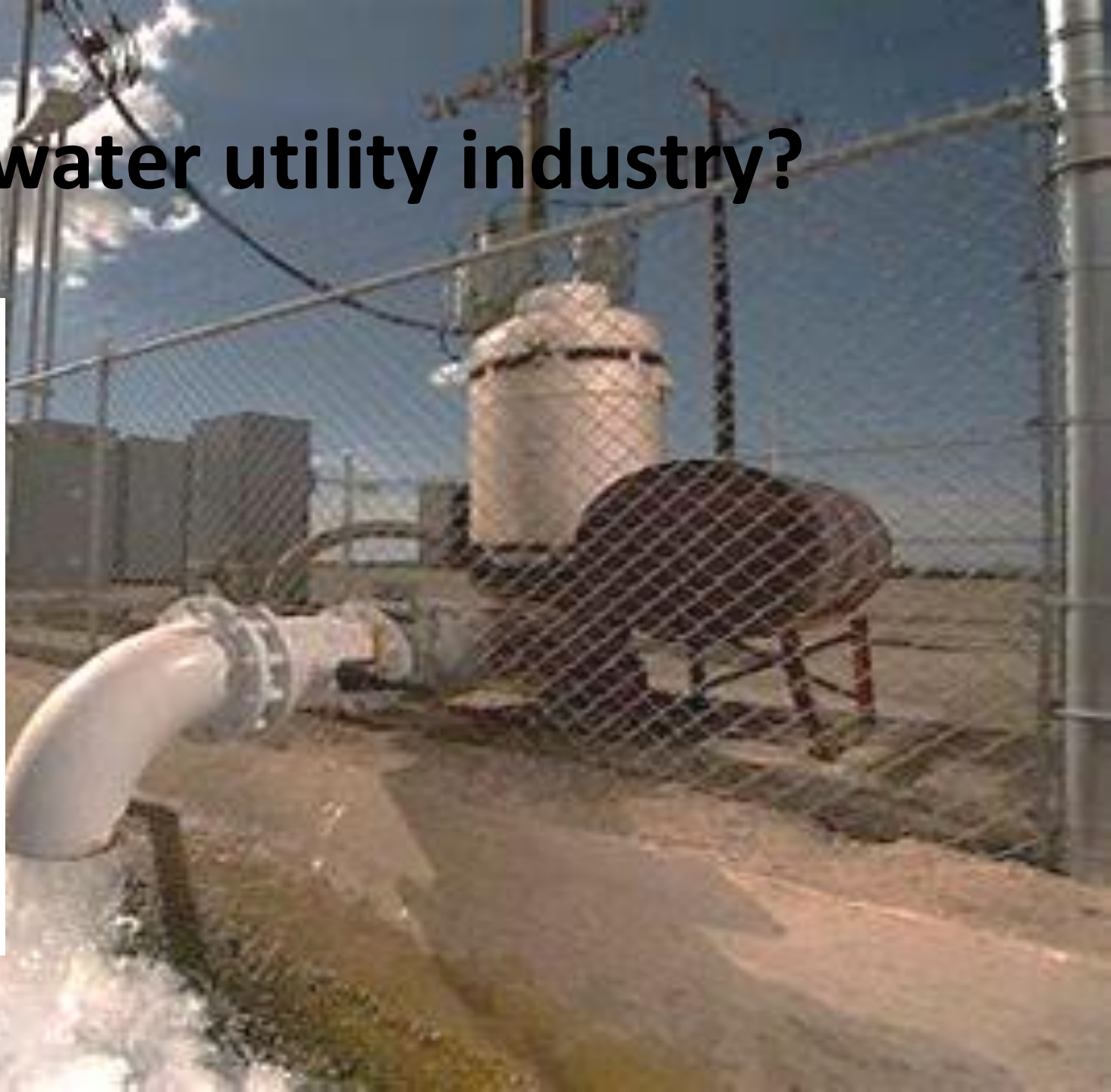


GWR
Global Water Resources



What's facing the water utility industry?

- Monopolistic and highly regulated
- Multiple state agencies – ACC, ADEQ and ADWR
- Arizona continues to be one of the fastest growing states in the nation
- Assured water supply and certainty
- Water conservation concerns

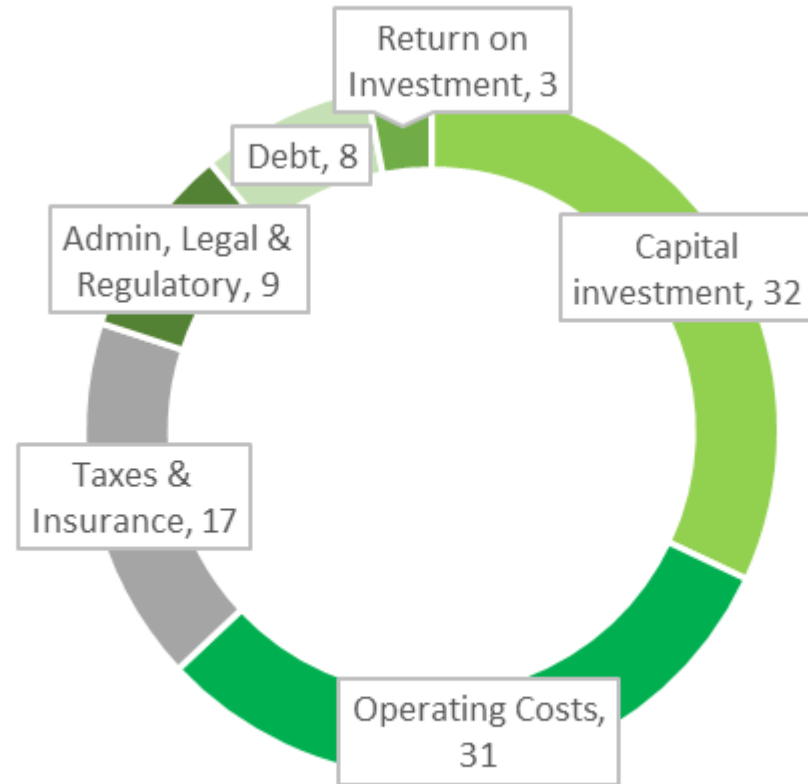


What is ACC's role?

- Approve “territories” for monopolistic water utilities
- Set customer rates (commercial / residential)
- Approve customer programs
- Approve capital investment in utility system
- Approve acquisitions



What's in a Dollar of Water?



A photograph of a large, rusted metal pipe with a hole, leaking water into a pool of dark, murky water. The pipe is light-colored with significant brown rust and corrosion. Water is spraying out from the hole, creating a white, frothy plume. The surrounding water is dark and turbulent.

Mission: Safe, reliable and affordable

But... many small water utilities pose:

- Public health risk
- Lack of customer service
- Lack of system monitoring and cyber security protocols
- Inconsistent capital investment
- Lack of water conservation programs

Our ACC recent actions

- 2020 and 2021 Small water task force and workshops with the industry
- State Drought contingency planning and its impact on private water utilities
- Creation of a new 2022 water task force that is multi agency, and includes diverse stakeholders
 - Role of ADEQ and ADWR in collaboration with ACC



What else can we do?

- Small water utility ombudsman
- Streamline processes for small water utility rate cases
- Consolidations and acquisitions
 - Incentives
 - Gradualism in rate impact
- Continued outreach to communities across the state



Balance

- Continue balancing the Commission's long-term goals with the need to ensure safe and reliable service at affordable rates

An aerial photograph of a river flowing through a deep, rugged canyon. The canyon walls are composed of layered red rock, showing signs of erosion. The river is dark and reflects the surrounding landscape. The text is overlaid on the center of the image.

Thank you

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