



0000014035

BEFORE THE ARIZONA CORPORATION COMMISSION

- 1
- 2 MARC SPITZER
CHAIRMAN
- 3 WILLIAM A. MUNDELL
COMMISSIONER
- 4 JEFF HATCH-MILLER
COMMISSIONER
- 5 MIKE GLEASON
COMMISSIONER
- 6 KRISTIN K. MAYES
COMMISSIONER
- 7

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 AZ CORP COMMISSION
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8 IN THE MATTER OF THE APPLICATION OF
 9 ARIZONA WATER COMPANY, AN ARIZONA
 10 CORPORATION, FOR ADJUSTMENTS TO
 11 ITS RATES AND CHARGES FOR UTILITY
 12 SERVICE FURNISHED BY ITS WESTERN
 13 GROUP AND FOR CERTAIN RELATED
 14 APPROVALS.

Docket No. W-01445A-04-0650

Arizona Corporation Commission
DOCKETED

OCT 12 2004

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RUCO'S RESPONSE TO STAFF'S MOTION

13 **TO REQUIRE SUPPLEMENTAL SUFFICIENCY INFORMATION, OR IN THE**
 14 **ALTERNATIVE, TO SUSPEND THE RATE CASE TIME CLOCK**

15
 16 The Residential Utility Consumer Office ("RUCO") hereby responds to the Utilities
 17 Division's ("Staff") Motion to Require Supplemental Sufficiency Information, or in the
 18 Alternative, to Suspend the Rate Case Time Clock ("Motion"). RUCO believes that Staff's
 19 Motion should be denied.

THE COMMISSION SHOULD DENY STAFF'S MOTION

20
 21 A.A.C. R14-2-103 governs a utility's filing requirements in support of an application for a
 22 rate increase. The information required is of a financial and statistical¹ nature and appears
 23 only informational for the preliminary purpose of establishing, on its face, whether the utility's
 24

¹ See A.A.C. R14-2-103(A) (1).

1 earnings warrant a rate increase. Nowhere in the Commission's Rules is a utility required to
2 argue or set a forth a particular position on an issue for purposes of sufficiency.

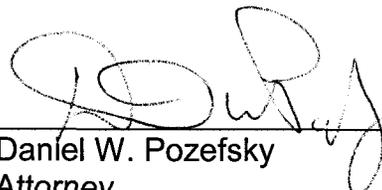
3
4 The Commission should not require Arizona Water Company ("Company") to set forth
5 and/or argue a particular position by filing an inverted tier rate design for purposes of
6 sufficiency. While the Commission may have expressed an interest towards inverted tier rate
7 designs in the past, there is no Rule or law which requires the Company to file an inverted tier
8 rate design. Parties should be free to advocate whatever position they believe is appropriate,
9 and other parties should have an opportunity to respond and propose alternative positions.
10 The results will be a fully developed record on which the Commission can make an informed
11 decision. If Staff believes an inverted rate design is appropriate, they are free to propose one,
12 but Staff should not preclude the Company from offering a rate design proposal that it believes
13 is appropriate. The Commission should reject Staff's request to require the Company to
14 submit an inverted tier rate design.

15 Staff suggests that due to the Company's size and experience requiring it to submit an
16 inverted tier rate design would be appropriate. Staff's Motion at 2. RUCO appreciates the point
17 Staff is trying to make, however, RUCO cautions the Commission from selectively placing
18 sufficiency requirements on Companies. RUCO believes establishing such a precedent is
19 fraught with peril.

20 **CONCLUSION**

21 The Commission should reject Staff's request to require the Company to submit an
22 inverted tiered rate design.

1 RESPECTFULLY SUBMITTED this 12th day of October, 2004.

2
3 
4 Daniel W. Pozefsky
5 Attorney

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7 of the foregoing filed this 12th day
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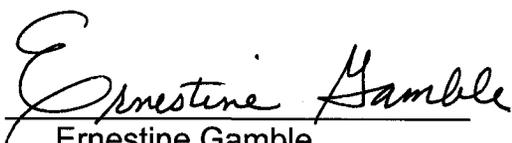
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