

ORIGINAL  
INTERVENTION



BEFORE THE ARIZONA CORPORATION COMMISSION  
RECEIVED

1  
2  
3  
4  
5  
6  
7

COMMISSIONERS

- KRISTIN K. MAYES-Chairman
- GARY PIERCE
- PAUL NEWMAN
- SANDRA D. KENNEDY
- BOB STUMP

2010 MAR 12 A 10:00  
AZ CORP COMMISSION  
DOCKET CONTROL

8 IN THE MATTER OF THE )  
 9 APPLICATION OF ARIZONA- )  
 10 AMERICAN WATER COMPANY, AN )  
 11 ARIZONA CORPORATION, FOR A )  
 12 DETERMINATION OF THE CURRENT )  
 13 FAIR VALUE OF ITS UTILITY PLAN )  
 14 AND PROPERTY AND FOR INCREASES )  
 15 IN ITS RATES AND CHARGES BASED )  
 16 THEREON FOR UTILITY SERVICE BY )  
 17 ITS ANTHEM WATER DISTRICT AND )  
 18 ITS SUN CITY WATER DISTRICT )

DOCKET NO. W-01303A-09-0343

Arizona Corporation Commission  
DOCKETED  
MAR 12 2010

DOCKETED BY	
-------------	--

19

20 IN THE MATTER OF THE )  
 21 APPLICATION OF ARIZONA- )  
 22 AMERICAN WATER COMPANY, AN )  
 23 ARIZONA CORPORATION, FOR A )  
 24 DETERMINATION OF THE CURRENT )  
 25 FAIR VALUE OF ITS UTILITY PLANT )  
 26 AND PROPERTY AND FOR INCREASES )  
 27 IN ITS RATES AND CHARGES BASED )  
 28 THEREON FOR UTILITY SERVICE BY )  
 29 ITS ANTHEM/AGUA FRIA WATER )  
 30 DISTRICT, ITS SUN CITY )  
 31 WASTEWATER DISTRICT, AND ITS SUN )  
 32 CITY WEST WASTEWATER DISTRICT )

DOCKET NO. SW-01303A-09-0343

TOWN OF PARADISE VALLEY'S  
MOTION TO INTERVENE  
(EXPEDITED RULING  
REQUESTED)

33

34 The Town of Paradise Valley (the "Town"), hereby moves the Arizona Corporation  
 35 Commission ("Commission") for leave to intervene in the above-captioned proceeding pursuant  
 36 to A.A.C. R14-3-105. This motion is supported by the following facts and information:

1           1.       On December 8, 2009, the Commission issued Decision No. 71410, Docket Nos.  
2       W-01303A-08-0227 and SW-01303A-08-0227, granting an increase in rates for certain districts  
3       of Arizona American Water Company ("Arizona-American"), including the Paradise Valley  
4       Water District, ("Rate Case 02-0227"), which includes certain Town of Paradise Valley facilities  
5       and many of its residents and businesses.

6           2.       Decision 71410 contains the following findings:

7               We believe that the issue of consolidation merits thorough vetting,  
8               discussion and public participation. In the instant proceeding,  
9               parties have argued that further development of the issue is  
10              needed. Accordingly, we find it reasonable to defer this issue in  
11              the instant rate case but keep this docket open for the limited  
12              purpose of consolidation discussion.

13  
14              While the Commission will defer addressing consolidation in the  
15              instant case, we believe this issue is of critical importance and that  
16              unnecessary delay does not allow customers to benefit from  
17              administrative expediency, economies of scale and other  
18              efficiencies which would otherwise occur through consolidation.  
19              Accordingly, we will require Commission Staff to propose at least  
20              one consolidation proposal in the Company's next rate case which  
21              will allow parties and the public ample opportunity to have notice  
22              of this issue and participate in that discussion. We also believe the  
23              Company should commence a dialogue with its customers as soon  
24              as practicable, and will require it to initiate town hall-style  
25              meetings in all of its service territories to begin communicating  
26              with customers the various impacts of system consolidation in  
27              each of those service territories, and to collect feed-back from  
28              consumers on such consolidation.

29  
30           Decision No.71410 also contained the following Ordering Paragraph:

31               IT IS FURTHER ORDERED that this docket shall remain open  
32               for the limited purpose of consolidation in the Company's next  
33               rate case with a separate docket in which a revenue-neutral change  
34               to rate design of all Arizona-American Water Company's water  
35               districts or other appropriate proposals or all Arizona-American's  
36               water and wastewater districts or other appropriate proposals may  
37               be considered simultaneously, after appropriate public notice, with  
38               appropriate opportunity for informed public comment and  
39               participation.

1  
2 Decision No. 71410 at 78.

3           3.       On January 28, 2010, a representative of the Town was invited to a meeting to take  
4 place on February 10, 2010 at the offices of Arizona American entitled, "Training and  
5 Development in Rate Consolidation Scenarios." On February 10, 2010, the Town's  
6 representative learned for the first time that the above-captioned case was pending and that the  
7 Arizona Corporation Commission Staff would be making a rate consolidation proposal on March  
8 22, 2010 in this docket that responsive testimony to Staff's proposal would be due on or about  
9 April 5, 2010.

10           4.       The Town understands that the Rate Case 08-0227 and the above-captioned  
11 dockets have never been consolidated. February 10, 2010 was the first time that the Town had  
12 notice that the parties in this case were moving forward with rate consolidation, and that a  
13 possible consolidated rate structure would be developed for the Commission's consideration in  
14 this rate case, which then might possibly be applied to the other districts such as the Paradise  
15 Valley Water District.

16           5.       It appears to the Town that this docket is the "separate docket in which a revenue-  
17 neutral change to rate design of all Arizona-American Water Company's water districts" (for  
18 district consolidation purposes) will be considered (Decision No. 71410). The Town notes that  
19 there may be other customers of Arizona American's service districts that have not been provided  
20 notice of this proceeding and may be directly and substantially affected by rate consolidation.

21           6.       The Town itself is a customer of Arizona American and was an intervener in the  
22 Rate Case 08-0227. In addition, the Town, on behalf of its residents and businesses, believes that  
23 there will be direct and substantial affects from any rate consolidation developed in this  
24 proceeding.

1           7.       Although the timeframe for intervention has passed, based upon the lack of  
2 consolidation of the two dockets (and therefore lack of notice), the Town respectfully requests a  
3 waiver of the intervention deadline and that the Commission grant its motion to intervene in the  
4 above-captioned proceeding. The Town did not delay, but rather, filed this motion as soon as it  
5 became aware that its interests would be affected by this proceeding and could obtain Town  
6 Council approval to request intervention in this docket (see attached Exhibit "A," Town Council  
7 Resolution #1214, adopted March 11, 2010).

8           8.       Granting intervener status to the Town will not cause the issues to be unduly  
9 broadened. Council for the Town has contacted counsel for the Company, Staff, and RUCO and  
10 was informed that none of those parties would object to the Town's intervention in this case.

11           9.       Given the procedural deadlines in this case, the Town respectfully requests an  
12 expedited ruling on this Motion to Intervene so that the Town may have adequate opportunity to  
13 participate in this proceeding.<sup>1</sup>

14           10.      The name, address, telephone number, facsimile number and e-mail address of the  
15 attorney for the Town, upon whom service of all documents are to be made are:

16                   Andrew M. Miller  
17                   Town Attorney  
18                   6401 E. Lincoln Drive  
19                   Paradise Valley, AZ 85253  
20                   Phone: (480) 348-3691  
21                   Facsimile: (480) 596-3790  
22                   E-mail: [amiller@paradisevalleyaz.gov](mailto:amiller@paradisevalleyaz.gov)

23           WHEREFORE, the Town requests that the Commission grant its motion to intervene in  
24 the above-captioned proceeding.

25

---

<sup>1</sup> It should be noted that A.A.C. R14-3-105(B) provides that applications to intervene shall be sent and filed at least five days before the proceeding is called to hearing.

1 Respectfully submitted this 12<sup>th</sup> day of March, 2010.

2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45

Town of Paradise Valley



Andrew M. Miller, Town Attorney  
6401 E. Lincoln Drive  
Paradise Valley, AZ 85253  
Attorney for Town of Paradise Valley

ORIGINAL and thirteen (13) copies of the  
Foregoing have been filed with Docket  
Control this 12<sup>th</sup> day of March, 2010

A COPY of the foregoing was hand-  
delivered this 12<sup>th</sup> day of March, 2010, to:

Teena Wolfe  
Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington St.  
Phoenix, Arizona 85007

Janice Alward, Chief Counsel  
Legal Division  
Arizona Corporation Commission  
1200 West Washington St.  
Phoenix, Arizona 85007

Lyn Farmer  
Chief Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington St.  
Phoenix, Arizona 85007

Steve Olea, Director  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington St.  
Phoenix, Arizona 85007

A COPY of the foregoing was  
Mailed this 12<sup>th</sup> day of March, 2010, to:

Bradley Herrema  
21 East Carrillo Street  
Santa Barbara, CA 93101

Greg Patterson  
916 W. Adams - 3  
Phoenix, Arizona 85007

W.R. Hansen  
12302 W. Swallow Drive  
Sun City, Arizona 85024

Larry Woods  
13815 E. Camino Del Sol  
Sun City, Arizona 85375

1 Larry Robertson, Jr.  
2 PO Box 1448  
3 Tubac, Arizona 85646

4  
5 Michael T. Hallam  
6 Lewis & Roca LLP  
7 40 North Central Avenue  
8 Phoenix, Arizona 85004

9  
10  
11  
12 Arizona Reporting Service, Inc.  
13 2200 North Central Avenue, Ste 502  
14 Phoenix, Arizona 85004-1481

Judith Dworkin  
4250 N. Drinkwater Blvd, 4<sup>th</sup> Floor  
Scottsdale, AZ 85251

Daniel Pozefsky  
Chief Counsel  
Residential Utility Consumer Office  
1110 West Washington Ste., Ste 220  
Phoenix, AZ 85007

15  
16  
17

---

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

**RESOLUTION NUMBER 1214**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA, AUTHORIZING AND DIRECTING THE FILING OF A MOTION TO INTERVENE AS AN INTERESTED PARTY IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM/AGUA FRIA WATER DISTRICT, ITS SUN CITY WASTEWATER DISTRICT, AND ITS SUN CITY WEST WASTEWATER DISTRICT, DOCKET NO. SW-01303A-09-0343**

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA THAT:

WHEREAS, on March 12, 2009, Town Council Resolution #1185 authorized the Town Attorney to represent the Town's interests in an Arizona-American water rate case involving rate requests by Arizona-American for its Paradise Valley Water District ("PV District"), that case being designated as Arizona Corporation Commission ("ACC") Docket No. W-01303A-08-0227 (the "PV Rate Case"); with direction to the Town Attorney to file Resolution #1185 in the docket of the PV Rate Case and to represent the Town with respect to four identified issues of concern in the PV Rate Case;

WHEREAS, the Town had previously filed as an intervener in the PV Rate Case on October 7, 2008;

WHEREAS, one of the issues to be monitored by the Town Attorney in the PV Rate Case was the consideration of the consolidation of all of the Arizona-American

1 Water rate districts in Arizona, as raised by ACC Commissioner Kristin Mayes in her  
2 letter to the parties to the docket dated November 10, 2008;

3 WHEREAS, the final decision in the PV Rate Case, Decision  
4 No.71410, docketed December 8, 2009, contained the following order  
5 regarding the consolidation issue:

6 IT IS FURTHER ORDERED that this docket shall remain  
7 open for the limited purpose of consolidation in the  
8 Company's next rate case with a separate docket in which  
9 a revenue-neutral change to rate design of all Arizona-  
10 American Water Company's water districts or other  
11 appropriate proposals or all Arizona-American's water and  
12 wastewater districts or other appropriate proposals may be  
13 considered simultaneously, after appropriate public notice,  
14 with appropriate opportunity for informed public comment  
15 and participation.

16  
17 WHEREAS, on February 10, 2010, the Town Attorney attended a meeting at the  
18 offices of Arizona-American entitled, "Training and Development in Rate Consolidation  
19 Scenarios" during which staff from Arizona-American disclosed that ACC Staff would  
20 be making a rate consolidation proposal on March 22, 2010 in the docket of the  
21 "Company's [Arizona-American's] next rate case," ACC Docket No. SW-01303A-09-  
22 0343 (hereinafter "Rate Case 08-0343") and that responsive testimony to the ACC Staff's  
23 proposal would be due on or about April 5, 2010;

24 WHEREAS, the Town has never received any formal notification that the docket  
25 in the PV Rate Case and Rate Case 08-0343 have been consolidated; February 10, 2010  
26 being the first time that the Town had notice that a consolidation proposal for all rate  
27 districts was being considered in Rate Case 08-0343;

28 WHEREAS, the Town should intervene in Rate Case 08-0343 in order to properly  
29 monitor the issue of rate consolidation because there may be some efforts made in Rate

1 Case 08-0343 to adopt a state-wide consolidated rate structure that would then be applied  
2 to the other districts that are not part of Rate Case 08-0343, such as the PV District.

3 WHEREAS, Although the timeframe for intervention has passed, based upon the  
4 lack of consolidation of the two dockets and therefore lack of notice, the Town will  
5 respectfully request a waiver of the intervention deadline and ask that the Commission  
6 grant a motion allowing the Town to intervene in Rate Case 08-0343.

7 NOW, THEREFORE, BE IT RESOLVED, that the Town Attorney is authorized  
8 to file a motion to intervene in Rate Case 08-0343;

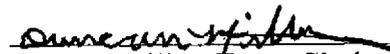
9 FURTHER RESOLVED, that the Town Manager and Town Attorney are  
10 authorized to report back to the Council on the matter of rate consolidation and to take all  
11 actions necessary to protect the Town's interests in both the PV Rate Case, Rate Case 08-  
12 0343, or any future ACC docket which considers the rate consolidation issue in a  
13 combined docket.

14 PASSED AND ADOPTED by the Town Council this 11<sup>th</sup> day of March, 2010.

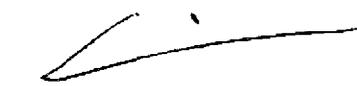
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32

  
Vernon B. Parker, Mayor

ATTEST:

  
Duncan Miller, Town Clerk

APPROVED AS TO FORM

  
Andrew M. Miller, Town Attorney