

ORIGINAL



0000113105

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

2010 JUL -2 P 3: 34

AZ CORP COMMISSION
DOCKET CONTROL

COMMISSIONERS

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

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 WATER DISTRICT AND
ITS SUN CITY WATER DISTRICT.

DOCKET NO. W-01303A-09-0343

Arizona Corporation Commission

DOCKETED

JUL -2 2010

DOCKETED BY

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
WASTEWATER DISTRICT, ITS SUN CITY
WASTEWATER DISTRICT AND ITS SUN
CITY WEST WASTEWATER DISTRICT.

DOCKET NO. SW-01303A-09-0343

ANTHEM COMMUNITY
COUNCIL'S NOTICE OF FILING
OF RATE DESIGN SCHEDULES

Anthem Community Council ("Anthem") hereby provides notice of its filing of the attached Anthem Rate Design Schedule 1 entitled "Development of Stand-Alone Rate Design Adjustment Factors" and Anthem Rate Design Schedule 2 - "Development of Consolidated Rate Design Adjustment Factors" in the above-docketed proceedings. In addition to the adjustments noted for Wastewater in Schedule 1, it is Anthem's position that if all of the Company's wastewater districts are not consolidated, stand alone rates for Anthem and for Agua Fria Wastewater should be provided by Arizona American Water Company. As of this juncture, Anthem does not have sufficient wastewater plant cost

SACKS TIERNEY P.A., ATTORNEYS
4250 NORTH DRINKWATER BOULEVARD
FOURTH FLOOR
SCOTTSDALE, ARIZONA 85251-3693

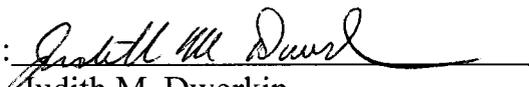
1 information to provide such a schedule as the Company has provided consolidated
2 information for the Anthem/Agua Fria District. To the extent such information becomes
3 available to Anthem prior to the time of filing of Anthem's Initial Post-Hearing Brief
4 and/or Anthem's Reply Post-Hearing Brief, Anthem will provide such additional
5 information and a related Phase 2 schedule (if any) as a part of or appendix to such Brief(s).

6 DATED this 2nd day of July, 2010.

7 Respectfully submitted,

8 Judith M. Dworkin
9 Roxann S. Gallagher
10 Sacks Tierney PA
11 4250 N. Drinkwater Blvd., 4th Floor
12 Scottsdale, Arizona 85251-3693
and

13 Lawrence V. Robertson, Jr.
14 P.O. Box 1448
15 Tubac, Arizona 85646-1448

16 By: 
17 Judith M. Dworkin
18 Attorneys for Anthem Community Council

19 ORIGINAL AND THIRTEEN (13) COPIES
20 of the foregoing Notice are being mailed
21 this 2nd day of July, 2010 to:

22 Docket Control
23 Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

24 COPY of the foregoing mailed
25 this 2nd day of July, 2010, to:

26 Teena Wolfe, Administrative Law Judge
27 Hearing Division
Arizona Corporation Commission
1200 W. Washington Street
28 Phoenix, AZ 85007

- 1 Thomas H. Campbell
TCampbell@LRLaw.com
2 Michael T. Hallam
MHallam@LRLaw.com
3 Lewis and Roca, LLP
40 N. Central Avenue
4 Phoenix, AZ 85004-4429
- 5 Daniel Pozefsky
DPozefsky@azruco.gov
6 RUCO
1110 W. Washington St., Suite 220
7 Phoenix, AZ 85007
- 8 Janice M. Alward, Chief Counsel
JAlward@azcc.gov
9 Legal Division
Arizona Corporation Commission
10 1200 W. Washington
Phoenix, AZ 85007-2927
- 11 Steve Olea, Director
12 SOlea@azcc.gov
Utilities Division
Arizona Corporation Commission
13 1200 W. Washington Street
14 Phoenix, AZ 85007
- 15 Lyn Farmer
Lfarmer@azcc.gov
16 Arizona Corporation Commission
1200 W. Washington Street
17 Phoenix, AZ 85007
- 18 Robert J. Metli
rmetli@swlaw.com
19 Jeffrey W. Crockett
jcrockett@swlaw.com
20 Snell & Wilmer LLP
400 E Van Buren
21 Phoenix, AZ 85004-2202
Attorneys for the Resorts
- 22 Michael Patten
23 mpatten@rdp-law.com
Roshka DeWulf & Patten PLC
24 400 E Van Buren Suite 800
Phoenix, AZ 85004-2262
- 25 Greg Patterson
26 gpatterson3@cox.net
916 W. Adams, Suite 3
27 Phoenix, AZ 85007
Attorneys for WUAA
28

1 W.R. Hansen
2 jpbillscwaz@aol.com
3 12302 W. Swallow Drive
4 Sun City West, AZ 85024

5 Bradley J. Herrema, Esq.
6 BHerrema@bhfs.com
7 Brownstein Hyatt Farber Schreck, LLP
8 21 E. Carrillo Street
9 Santa Barbara, CA 93101
10 Attorneys for Anthem Golf and Country Club

11 Norman D. James, Esq.
12 njames@fclaw.com
13 Fennemore Craig
14 3003 N. Central Avenue, Suite 2600
15 Phoenix, AZ 85012
16 Attorneys for DMB White Tank, LLC

17 Marshall Magruder, Esq.
18 mmagruder@earthlink.net
19 P.O. Box 1267
20 Tubac, AZ 85646-1267

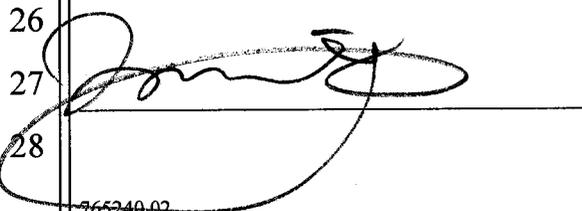
21 Andrew M. Miller, Esq.
22 amiller@paradisevalleyaz.gov
23 Town Attorney
24 6401 E. Lincoln Drive
25 Paradise Valley, AZ 85253
26 Attorneys for Town of Paradise Valley

27 Joan S. Burke, Esq.
28 joan@jsburkelaw.com
29 Law Office of Joan S. Burke
30 1650 N. First Avenue
31 Phoenix, AZ 85003
32 Attorneys for Mashie, LLC, dba Corte Bella Golf Club

33 Larry D. Woods
34 15141 W. Horseman Lane
35 Sun City West, AZ 85375

36 Philip Cook
37 10122 W. Signal Butte Circle
38 Sun City, AZ 85373

39 Dan Neidlinger
40 Neidlinger & Associates, Ltd.
41 3020 N. 17th Drive
42 Phoenix, AZ 85012

43 
44 _____
45

**Anthem Rate Design
Schedule 1**

**ARIZONA-AMERICAN WATER COMPANY
ACC DOCKET NOS. W-01303A-09-0343 & SW-01303A-09-0343
ANTHEM WATER & WASTEWATER DISTRICTS**

Development of Stand-Alone Rate Design Adjustment Factors

DESCRIPTION	ANTHEM LEGAL POSITION (1)	ANTHEM RATE BASE DEFERRAL POSITION (2)
WATER:		
Company: (3)		
Adjusted Test Year Revenues	\$7,482,226	\$7,482,226
Required Revenue Increase	5,962,627	5,962,627
Total Revenue Requirement	<u>\$13,444,853</u>	<u>\$13,444,853</u>
Anthem:		
Adjusted Test Year Revenues	\$7,482,226	\$7,482,226
Required Revenue Increase (4)	3,247,943	3,716,815
Total Revenue Requirement	<u>\$10,730,169</u>	<u>\$11,199,041</u>
Revenue Requirement Decrease	-\$2,714,684	-\$2,245,812
Rate Design Factor (5)	79.81%	83.30%
WASTEWATER:		
Company: (6)		
Adjusted Test Year Revenues	\$8,634,017	\$8,634,017
Required Revenue Increase	5,308,401	5,308,401
Total Revenue Requirement	<u>\$13,942,418</u>	<u>\$13,942,418</u>
Anthem:		
Adjusted Test Year Revenues	\$8,634,017	\$8,634,017
Required Revenue Increase (7)	3,728,950	3,928,438
Total Revenue Requirement	<u>\$12,362,967</u>	<u>\$12,562,455</u>
Revenue Requirement Decrease	-\$1,579,451	-\$1,379,963
Rate Design Factor (8)	88.67%	90.10%

NOTES:

- (1) Anthem Legal Position to Exclude \$23.3 Million of Pulte Refunds From Rate Base
- (2) Anthem Position to Defer Inclusion in Rate Base of \$20.2 Million of Pulte Refunds
- (3) Per Company Rebuttal Schedule A-1 - Anthem Water
- (4) Based on Adjusted RUCO Recommendations: Anthem Legal, Schedule 2, and Exhibit DLN-5, Surrebuttal
- (5) Factors to be Applied Across-the-Board to Company Rebuttal Water Rate Design Recommendations
- (6) Per Company Rebuttal Schedule A-1 - Anthem/Agua Fria Wastewater
- (7) Based on Adjusted RUCO Recommendations: Anthem Legal, Schedule 1, and Exhibit DLN-4, Surrebuttal
- (8) Factors to be Applied Across-the-Board to Company Rebuttal Wastewater Rate Design Recommendations

ARIZONA-AMERICAN WATER COMPANY
ACC DOCKET NOS. W-01303A-09-0343 & SW-01303A-09-0343
ANTHEM WATER & WASTEWATER DISTRICTS

Development of Consolidated Rate Design Adjustment Factors

DESCRIPTION	ANTHEM LEGAL POSITION (1)	ANTHEM RATE BASE DEFERRAL POSITION (2)
WATER:		
Company Consolidated Revenue Target (3)	\$71,711,438	\$71,711,438
Anthem Adjustment (4)	-2,714,684	-2,245,812
Adjusted Consolidated Revenue Target	\$68,996,754	\$69,465,626
Rate Design Factor (5)	96.21%	96.87%
WASTEWATER:		
Company Consolidated Revenue Target (6)	\$21,929,805	\$21,929,805
Anthem Adjustment (4)	-\$1,579,451	-\$1,379,963
Adjusted Consolidated Revenue Target	\$20,350,354	\$20,549,842
Rate Design Factor (7)	92.80%	93.71%

NOTES:

- (1) Anthem Legal Position to Exclude \$23.3 Million of Pulte Refunds From Rate Base
- (2) Anthem Position to Defer Inclusion in Rate Base of \$20.2 Million of Pulte Refunds
- (3) Per Company Water Consolidation Model - Version 4
- (4) Per Anthem Rate Design Schedule 1
- (5) Factors to be Applied Across-the-Board to Marshall Magruder's Consolidated Water Rate Design Recommendations
- (6) Per Company Wastewater Consolidation Model - Version 4
- (7) Factors to be Applied Across-the-Board to Company's Consolidated Wastewater Rate Design Recommendations