

ORIGINAL



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BEFORE THE ARIZONA CORPORATION COMMISSION

- 1
- 2 GARY PIERCE  
CHAIRMAN
- 3 BOB STUMP  
COMMISSIONER
- 4 SANDRA D. KENNEDY  
COMMISSIONER
- 5 PAUL NEWMAN  
COMMISSIONER
- 6 BRENDA BURNS  
COMMISSIONER

2011 JUL 22 A 8:56

Arizona Corporation Commission  
**DOCKETED**

AZ CORP COMMISSION  
DOCKET CONTROL

JUL 22 2011

DOCKETED BY	
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7  
8 IN THE MATTER OF THE APPLICATION OF  
9 ARIZONA-AMERICAN WATER COMPANY  
10 FOR A WAIVER UNDER A.A.C. R14-2-806  
11 OR, IN THE ALTERNATIVE, NOTICE OF  
12 INTENT TO REORGANIZE UNDER A.A.C.  
13 R-14-2-803.

Docket No. W-01303A-11-0101

14  
15 **RUCO'S NOTICE OF FILING**  
16  
17 **DIRECT TESTIMONY**

18  
19 The RESIDENTIAL UTILITY CONSUMER OFFICE ("RUCO") hereby provides  
20 notice of filing the Direct Testimony of William A. Rigsby, CRRA, in the above-referenced  
21 matter.  
22

23 RESPECTFULLY SUBMITTED this 22<sup>nd</sup> day of July, 2011

24  
  
Michelle L. Wood  
Counsel

**ARIZONA-AMERICAN WATER COMPANY**

**DOCKET NO. W-01303A-11-0101**

**DIRECT TESTIMONY**

**OF**

**WILLIAM A. RIGSBY, CRRA**

**ON BEHALF OF**

**THE**

**RESIDENTIAL UTILITY CONSUMER OFFICE**

**JULY 22, 2011**

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APPENDIX 1 – Qualifications of William A. Rigsby, CRRA

1 Q. What is the purpose of your testimony?

2 A. The purpose of my testimony is to present recommendations that are  
3 based on my analysis of the proposed sale of all of the issued and  
4 outstanding shares of common stock of Arizona-American Water  
5 Company ("AAWC" or "Company") from American Water Works Company,  
6 Inc. ("American Water") to EPCOR (USA) Inc. ("EPCOR USA"). AAWC  
7 filed an application for a waiver under A.A.C. R14-2-806 or in the  
8 alternative, notice of intent to reorganize under A.A.C. R14-2-803  
9 ("Application" or "Proposed Reorganization") with the Arizona Corporation  
10 Commission ("ACC" or "Commission") on March 2, 2011.

11  
12 Q. Have you filed testimony on AAWC in prior cases before the ACC?

13 A. Yes. I have testified as a witness for RUCO on cost of capital and other  
14 ratemaking issues in a number of prior rate case proceedings on AAWC's  
15 various water and wastewater districts.<sup>1</sup> I also recommended, as an ACC  
16 Staff Senior Rate Analyst, that the Commission reauthorize a revolving  
17 line of credit for the Paradise Valley Water District<sup>2</sup>. Most recently I  
18 testified in a current AAWC rate case involving the Company's Agua Fria,  
19 Havasu and Mohave Water Districts.<sup>3</sup> I am also presently involved with  
20 AAWC's pending Anthem/Agua Fria Wastewater deconsolidation filing.

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<sup>1</sup> Docket Numbers WS-01303A-06-0491, WS-01303A-06-0403, W-01303A-06-0014, W-01303A-05-0405 et al., W-01303A-08-0227 et al., and Docket No. W-01303A-10-0448

<sup>2</sup> Docket No. W-01335A-00-0327

<sup>3</sup> Docket No. W-01303A-09-0343 et al.

1           In addition to the rate increase and financing proceedings cited above, I  
2           have also filed testimony in cases that involved a request for an arsenic  
3           cost recovery surcharge for AAWC's Paradise Valley District. I further  
4           testified on AAWC's request for an increase in hook-up fees to fund the  
5           construction of the Company's White Tanks Regional Water Treatment  
6           Plant located in the Agua Fria District<sup>4</sup> which AAWC is seeking rate base  
7           treatment and cost recovery for in the Company's rate case proceeding  
8           now before the Commission.

9

10 Q.    Have you filed testimony on EPCOR USA in prior cases before the ACC?

11 A.    Yes. As a witness for RUCO, I recommended that the Commission  
12       approve the sale of Chaparral City Water Company from American States  
13       Water Company to EPCOR USA. The Commission approved the sale in  
14       Decision No. 72259, dated April 7, 2011, subject to the conditions  
15       recommended by both ACC Staff and RUCO.

16

17 Q.    Please describe your analysis of the Proposed Reorganization requested  
18       by AAWC.

19 A.    My analysis relies on information provided in both the Company's  
20       Application and The Value Line Investment Survey ("Value Line"), an  
21       independent investment advisory service. I also relied on information that  
22       was obtained from responses to data requests issued by ACC Staff,

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<sup>4</sup> Docket No. W-01303A-05-0718

1 RUCO and other intervenors to the proceeding. I studied information  
2 obtained over the course of discovery in order to ascertain whether or not  
3 the Proposed Reorganization is in the public interest and meets the  
4 requirements for reorganization pursuant to A.A.C. R14-2-803(C).

5

6 Q. What is AAWC seeking in its Application?

7 A. According to AAWC's Application, the Company is seeking a waiver from  
8 the Commission's Public Utility Holding Companies and Affiliated Interest  
9 rules as set forth in A.A.C. R14-2-806. In the alternative, AAWC gives  
10 notice to the Commission of its intent to reorganize pursuant to A.A.C.  
11 R14-2-803 by virtue of American Water selling all of the outstanding and  
12 issued shares of AAWC's common stock to EPCOR USA. On May 20,  
13 2011, the Company withdrew its request for waiver under A.A.C. R14-2-  
14 806 and is proceeding solely on the second option for review and approval  
15 of its sale of shares to EPCOR USA under A.A.C. R14-2-803.

16

17 Q. What is the standard that you relied on in determining whether or not the  
18 ACC should approve AAWC's request to reorganize under A.A.C. R14-2-  
19 803?

20 A. The standard that I relied on is found in A.A.C. R14-2-803(C) which states  
21 the following:

22  
23  
24  
25

At the conclusion of any hearing on the organization or reorganization of  
a utility holding company, the Commission may reject the proposal if it  
determines that it would impair the financial status of the public utility,  
otherwise prevent it from attracting capital at fair and reasonable terms,

1                   or impair the ability of the public utility to provide safe, reasonable and  
2                   adequate service.  
3

4 Q.     Briefly summarize the recommendations that you are making in your  
5           testimony.

6 A.     Based on the results of my analysis, I am recommending that the ACC  
7           approve AAWC's request on two conditions. The first condition is that no  
8           acquisition costs related to the transfer of ownership between American  
9           Water and EPCOR (USA) be passed on to Arizona ratepayers. The  
10          second condition is that no acquisition premium (i.e. the difference  
11          between EPCOR USA's purchase price of AAWC's outstanding and  
12          issued shares of common stock and the book value of AAWC at the time  
13          the transaction is finalized) be recovered by EPCOR USA in any future  
14          rate case decisions.

15  
16          My recommendation is based on my belief that EPCOR USA is a fit and  
17          proper entity whose ownership of AAWC will not impair the financial status  
18          of the Company, or prevent AAWC from attracting capital at fair and  
19          reasonable terms, or impair the ability of AAWC to provide safe,  
20          reasonable and adequate service. For the reasons stated above, I am  
21          recommending that the Commission approve AAWC's requested  
22          reorganization subject to the two conditions that I described above and will  
23          address later in my testimony.  
24

1 **BACKGROUND**

2 Q. Please provide a brief description of AAWC.

3 A. According to the Company's Application, AAWC is a public service  
4 corporation that provides water and wastewater utility service in portions  
5 of Maricopa, Mohave and Santa Cruz counties to approximately 158,000  
6 customers.<sup>5</sup> The Company serves customers in Commission-approved  
7 certificated areas in communities, or portions of communities, such as  
8 Paradise Valley, Sun City, Sun City West, Sun City Grand, Surprise,  
9 Bullhead City, Lake Havasu City and Tubac. AAWC's current rates and  
10 charges were authorized in Decision No. 72047, dated January 6, 2011,  
11 and Decision No. 71410, dated December 8, 2009. The Company stated  
12 on page 2 of its Application that AAWC is currently in compliance with  
13 local and state regulatory requirements<sup>6</sup> and is also current on all property  
14 taxes owed.

15  
16 Q. Does AAWC have any major pending matters before the ACC besides this  
17 filing?

18 A. Yes. As I stated earlier in my testimony, AAWC currently has two other  
19 major matters pending before the Commission which include the following:  
20  
21

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<sup>5</sup> 107,000 water customers and 51,000 wastewater customers

<sup>6</sup> AAWC provided evidence of compliance in the Company's responses to ACC Staff's first and second data requests issued on March 15, 2011 and March 30, 2011 respectively.



1 EPCOR and states that EPCOR is a municipally owned Canadian  
2 corporation and holding company that builds, owns and operates water  
3 and wastewater treatment facilities. EPCOR also builds, owns and  
4 operates infrastructure and electrical transmission and distribution  
5 networks in Canada. EPCOR is headquartered in Edmonton, Alberta, and  
6 is governed by an independent board of directors. Its sole shareholder is  
7 the City of Edmonton, Alberta, Canada.

8  
9 According to AAWC's Application, EPCOR's primary operating  
10 subsidiaries are EPCOR Water Services Inc. ("EPCOR Water"), EPCOR  
11 Distribution & Transmission Inc. ("EPCOR Distribution") and EPCOR  
12 Energy Alberta Inc. ("EPCOR Energy"). Since July of 2009, EPCOR has  
13 sold substantially all of its ownership interest in Capital Power with the  
14 intent of using the proceeds to finance needed capital improvement  
15 projects in EPCOR's various utility infrastructure businesses that provide  
16 water, wastewater treatment, power transmission and power distribution  
17 services.

18  
19 AAWC's Application states that EPCOR has extensive technical  
20 experience in the operation and maintenance of water and wastewater  
21 facilities that provide service to over one million people in more than 70  
22 communities and counties located in Western Canada.

23

1 **PROPOSED REORGANIZATION**

2 Q. Why is EPCOR USA buying AAWC?

3 A. According to AAWC's Application, EPCOR USA sees this transaction as  
4 the second step, with the acquisition of Chaparral City Water Company, of  
5 an overall business strategy to invest in, and become a long-term owner of  
6 water and wastewater utilities in Arizona and other states. EPCOR USA's  
7 business strategy also includes the provision of various utility-related  
8 services to municipalities and other governmental entities located in  
9 Arizona and other states.

10

11 Q. Briefly describe the Proposed Reorganization.

12 A. AAWC's Application states that on January 23, 2011, EPCOR USA  
13 entered into a stock purchase agreement with American Water to  
14 purchase, using a combination of cash and debt, all of the outstanding  
15 shares of both AAWC's and New Mexico-American's ("NMAWC") common  
16 stock for approximately \$470 million subject to adjustments ("Stock  
17 Purchase Agreement"). At the time of closing, EPCOR USA will pay the  
18 agreed upon sum to American Water in exchange for AAWC's and  
19 NMWC's utility plant assets, revenue and other property which will not, be  
20 sold, leased assigned or encumbered as a part of the transaction  
21 ("Transaction") described under the Proposed Reorganization. As part of  
22 the Transaction, any existing AAWC debt extended by American Water  
23 will be replaced with debt extended by EPCOR under comparable terms.

1           AAWC is requesting approval of the Proposed Reorganization to the  
2           extent that the replacement of the existing AAWC debt, with new debt  
3           extended by EPCOR (or a third party), requires Commission approval  
4           under A.R.S. §40-301 and §40-302. At the close of the Transaction,  
5           AAWC will remain as the same legal entity that it was prior to the  
6           Transaction, except that it will now be a subsidiary of EPCOR USA as  
7           opposed to a subsidiary of American Water. AAWC states that following  
8           the closing of the Transaction, EPCOR USA will change the name of the  
9           Company since it will no longer be a part of the American Water system  
10          and that EPCOR USA will notify the Commission following a determination  
11          of what the new name of the Company will be. According to the  
12          Company's Application, EPCOR USA does not anticipate that any  
13          positions will be eliminated as a result of the Transaction.

14  
15       **ANALYSIS OF PROPOSED REORGANIZATION**

16       Q.    Has RUCO had the opportunity to study the Proposed Reorganization of  
17            AAWC?

18       A.    Yes.

19  
20       Q.    Does RUCO believe that the Proposed Reorganization is in the public  
21            interest?

22       A.    Yes.

23

1 Q. Why does RUCO believe that the Proposed Reorganization is in the public  
2 interest?

3 A. RUCO believes that the Proposed Reorganization meets the standard  
4 found in A.A.C. R14-2-803(C). Based on RUCO's analysis, the Proposed  
5 Reorganization will not impair the financial status of AAWC, nor will it  
6 prevent the Company from attracting capital at fair and reasonable terms,  
7 or impair the ability of AAWC to provide safe, reasonable and adequate  
8 service.

9

10 Q. Why does RUCO believe that the Proposed Reorganization will not impair  
11 the financial status of AAWC?

12 A. Under the Proposed Reorganization, with the exception of a change in  
13 name, AAWC will remain the same entity that it currently is. As explained  
14 earlier, none of the Company's shares of stock, utility plant, current or  
15 future revenue streams or other assets will be encumbered or pledged as  
16 security as a result of the transaction. AAWC will be operated on a stand-  
17 alone basis and will continue to have the ability to earn a return on its  
18 existing assets and use all of the Company's operating revenues and cash  
19 flows to cover its operating expenses and existing debt obligations.

20

21

22 ...

23

1 Q. Will the Proposed Reorganization prevent AAWC from attracting capital at  
2 fair and reasonable terms?

3 A. No. AAWC's capital structure will not change as a result of the transaction  
4 and the Company's ability to attract capital at fair and reasonable terms  
5 will be no different than it was prior to the transaction. Under the  
6 Proposed Reorganization AAWC's ultimate parent will be an entity that  
7 has, between 2004 and 2009, routinely financed an average of \$400  
8 million annually in capital improvements for its water, wastewater and  
9 electric facilities. According to the Company's application and EPCOR's  
10 website<sup>7</sup>, EPCOR maintains a credit rating of BBB+ from Standard &  
11 Poor's and A (low) stable from Dominion Bond Rating Service Ltd. on  
12 long-term unsecured debt. Hence, AAWC would be owned by a large  
13 entity that has the ability to assist the Company in obtaining needed  
14 capital to finance infrastructure improvements. RUCO believes that, for all  
15 practical purposes, the Proposed Reorganization is essentially no different  
16 from the one recently approved by the Commission in which the  
17 ownership of Chaparral City Water Company was transferred from  
18 American States Water Company, Inc. to EPCOR USA.

19

20

21 ...

22

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<sup>7</sup> <http://www.epcor.ca/en-ca/about-epcor/investor-information/Pages/default.aspx>

1 Q. What is the current capital structure of EPCOR USA's ultimate parent  
2 EPCOR?

3 A. According to EPCOR's consolidated balance sheet for the period ended  
4 December 31, 2010, EPCOR's end-of-year capital structure for 2010 was  
5 comprised of approximately 37.0 percent long-term debt and 63.0 percent  
6 common equity. This reflected an improvement in EPCOR's equity  
7 position over the previous end-of-year capital structure of 41 percent long-  
8 term debt and 59 percent common equity.

9

10 Q. Why does RUCO believe that the Proposed Reorganization will not impair  
11 the ability of AAWC to provide safe, reasonable and adequate service?

12 A. As explained above, the absence of any financial harm to AAWC, as a  
13 result of the Proposed Reorganization, will not hinder the Company's  
14 ability to continue to operate as it has prior to the change of ownership  
15 and to continue to meet required water quality standards. RUCO also  
16 believes that EPCOR, which will become AAWC's ultimate parent under  
17 the terms of the Stock Purchase Agreement, is a fit and proper entity that  
18 has both the experience and expertise to operate a regulated water  
19 provider such as AAWC.

20

21

22 ...

23

1 Q. Does RUCO believe that EPCOR has the ability to provide safe,  
2 reasonable and adequate service to AAWC's ratepayers?

3 A. Yes. According to the Company's Application, EPCOR's water and  
4 wastewater operations presently meet or exceed stringent Canadian  
5 federal, provincial, and municipal water quality requirements. AAWC  
6 further stated in its Application that in 2008, EPCOR's Quality Assurance  
7 Laboratory scored the highest among 68 labs across Canada and the  
8 United States in tests administered by the U.S. Environmental Protection  
9 Agency and that the majority of the labs were in major United States cities.

10

11 Q. Does RUCO have any first hand experience with EPCOR that would  
12 support RUCO's belief that it is a fit and proper entity that has both the  
13 experience and expertise to operate a regulated water provider such as  
14 AAWC?

15 A. Yes. During the Chaparral City Water Company reorganization  
16 proceeding, RUCO's staff members had the opportunity to meet with Mr.  
17 James McKee from EPCOR who satisfactorily addressed questions  
18 concerning the two environmental administrative penalties, both of which  
19 were determined to be minor violations by authorities and did not involve  
20 legal proceedings, that are described on page 7 of AAWC's Application.  
21 EPCOR later provided RUCO with additional information on its experience  
22 related to surface water treatment and arsenic removal. This experience  
23 is highly relevant to the operation of AAWC's White Tanks water treatment

1 facility noted earlier and arsenic removal plant in the Company's Agua  
2 Fria, Paradise Valley, Sun City West and Tubac Water Districts. EPCOR  
3 also informed RUCO that it had gone for five years with no Environmental  
4 Protection and Enhancement Act ("EPEA") or Water Act prosecutions,  
5 enforcement orders, environmental protection orders, administrative  
6 penalties or warning letters in connection with its Edmonton facilities.  
7 EPCOR also stated that it had no outstanding notices of investigations  
8 from Alberta Environment under the aforementioned EPEA or Water Act.

9  
10 In summary, after a review of all of the information obtained to date, both  
11 formally and informally, RUCO has concluded that EPCOR is a fit and  
12 proper entity that has both the experience and expertise to own and  
13 operate a regulated water provider in Arizona.

14  
15 Q. Does RUCO believe that EPCOR will insure that AAWC is staffed with  
16 qualified individuals that will continue to provide safe, reasonable and  
17 adequate service to the Company's ratepayers?

18 A. Yes. In responses to RUCO data requests 1.7 and 1.8, Mr. McKee  
19 reiterated the Company's position that it expects to retain AAWC's current  
20 employees after the Transaction closes and that EPCOR USA will take the  
21 necessary steps to ensure that employees are performing their duties  
22 appropriately in order to maintain responsible operations. Mr. McKee also  
23 responded that EPCOR USA intends to retain Mr. Paul Townsley, the

1 current president of AAWC, who will continue to lead the Company's  
2 operations after the Transaction is completed.

3

4 Q. Will AAWC ratepayers continue to receive customer service and support  
5 on a 24/7 basis after the Transaction is completed?

6 A. In his response to RUCO data request 1.9, Mr. McKee stated that EPCOR  
7 USA will continue to provide customer service and support on a 24/7 basis  
8 and will work with American Water and the Company to insure that  
9 customer service is not negatively impacted during the transition in  
10 ownership.

11

12 Q. Will the Proposed Reorganization result in any major changes related to  
13 central office or shared services costs?

14 A. In response to RUCO data request 1.10, Mr. McKee stated that if the  
15 Proposed Reorganization is approved by the Commission, future shared  
16 services costs (which RUCO labels "central office costs") are expected to  
17 be comparable to current shared services costs and certainly will not  
18 impair AAWC's financial status.

19

20 Q. So it is RUCO's belief that the Proposed Reorganization meets the  
21 standard set forth in A.A.C. R14-2-803(C)?

22 A. Yes. For all of the reasons cited above, RUCO believes that the Proposed  
23 Reorganization meets the standard set forth in A.A.C. R14-2-803(C).

1 Q. Should the Commission only consider the financial perspective when  
2 evaluating the public interest?

3 A. No. The Commission has addressed the public interest standard in prior  
4 reorganization applications. For example, in Decision No. 67454, The  
5 Matter of the Reorganization of UniSource Energy Corporation, the  
6 Commission stated the following:

7 "The duty to act in the public interest requires this Commission to  
8 consider all factors implicated in this transaction and not solely the  
9 impairment of the financial status or services of the public service  
10 corporation. A careful analysis of potential risks is particularly crucial  
11 when the proposed transaction can impact the public health and safety."  
12

13 The Commission further noted that the public interest inquiry is "broad"  
14 and that the Commission should consider all of the available evidence in  
15 any given case.<sup>8</sup> RUCO believes that, in addition to the financial  
16 perspective that RUCO has offered, the Commission should also consider  
17 applying the same standard and broad level of scrutiny in this case.  
18

19 Q. Does RUCO believe that the Proposed Reorganization meets the broader  
20 public interest standard?

21 A. Yes. RUCO believes that the Proposed Reorganization meets the  
22 broader public interest standard after evaluating the information provided  
23 by EPCOR USA on (1) its ability to provide water that meets required  
24 quality standards; (2) its expectation to retain AAWC's current employees  
25 after the Transaction closes and to take the necessary steps to ensure  
26 that employees are performing their duties appropriately in order to

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<sup>8</sup> Decision No. 67454 pages 28 thru 29.

1 maintain responsible operations; and, (3) its commitment to continue to  
2 provide customer service and support on a 24/7 basis.

3

4 **RECOMMENDATION**

5 Q. What is RUCO's recommendation regarding the Proposed  
6 Reorganization?

7 A. RUCO recommends that the Commission approve the Proposed  
8 Reorganization subject to two conditions that relate to the recovery of  
9 possible acquisition costs or an acquisition adjustment or premium. First,  
10 RUCO recommends that no costs resulting from the sale of AAWC from  
11 American Water to EPCOR USA be passed on to ratepayers in a future  
12 rate case proceeding. Second, RUCO recommends that no acquisition  
13 adjustment or premium related to the sale of AAWC from American Water  
14 to EPCOR USA be allowed recovery in a future rate case proceeding.

15

16 Q. Why is RUCO recommending that no costs resulting from the sale of  
17 AAWC from American Water to EPCOR USA be passed on to ratepayers  
18 in a future rate case proceeding?

19 A. RUCO believes that ratepayers should not have to bear any acquisition  
20 related costs that may be incurred in order to integrate AAWC into  
21 EPCOR or EPCOR USA's system for accounting, billing or other business  
22 related functions. RUCO believes that these types of costs should be  
23 borne by the acquiring entity or its ultimate parent. RUCO recommended

1 the same condition in both the Qwest/CenturyLink merger and the EPCOR  
2 USA/Chaparral City Water Company acquisition that were both approved  
3 by the Commission.

4  
5 Q. Why is RUCO recommending that no acquisition adjustment or premium  
6 related to the sale of AAWC from American Water to EPCOR USA be  
7 allowed recovery in a future rate case proceeding?

8 A. RUCO believes that ratepayers should not have to pay for the difference  
9 between the price EPCOR pays for AAWC and the book value of the  
10 Company at the time of the acquisition. RUCO's recommendation is  
11 consistent with the Commission's past practice of not allowing acquisition  
12 premiums in rate base.

13  
14 Q. Are these the same conditions that RUCO recommended, and the  
15 Commission approved in the recent case involving EPCOR USA's  
16 acquisition of Chaparral City Water Company?

17 A. Yes. The Commission adopted both of these recommendations in  
18 Decision No. 72259, dated April 7, 2011, which approved the sale of  
19 Chaparral City Water Company from American States Water Company to  
20 EPCOR USA.

21  
22 ...

23

1 Q. Do you believe that the Commission has the authority to approve the  
2 Proposed Reorganization on a conditional basis?

3 A. Yes. While I am not a lawyer and I am not expressing a legal opinion, I  
4 believe that the Commission has the constitutional authority to approve a  
5 merger or acquisition on certain conditions in order to insure that  
6 ratepayers are not harmed as a result of a transaction such as the  
7 Proposed Reorganization being sought in this proceeding.

8

9 Q. Can you cite other ACC decisions in which the Commission approved a  
10 request for a merger or acquisition on a conditional basis?

11 A. Yes. The two best examples are Decision No. 72259, which I've cited  
12 several times in this testimony, and Decision No. 62909, dated September  
13 18, 2000, in which the Commission approved the sale of Chaparral City  
14 Water Company from MCO Properties, Inc. to American States Water  
15 Company on condition that Chaparral City water Company's customers be  
16 held harmless from any obligation to pay judgments arising out of future  
17 lawsuits against California subsidiaries of American States Water  
18 Company.

19

20 Q. Does your silence on any of the issues or positions addressed in the  
21 Company's Application constitute acceptance?

22 A. No, it does not.

23

1 Q. Does this conclude your direct testimony on the Proposed Reorganization  
2 of AAWC?

3 A. Yes, it does.

**Qualifications of William A. Rigsby, CRRA**

**EDUCATION:**

University of Phoenix  
Master of Business Administration, Emphasis in Accounting, 1993

Arizona State University  
College of Business  
Bachelor of Science, Finance, 1990

Mesa Community College  
Associate of Applied Science, Banking and Finance, 1986

Society of Utility and Regulatory Financial Analysts  
38th Annual Financial Forum and CRRA Examination  
Georgetown University Conference Center, Washington D.C.  
Awarded the Certified Rate of Return Analyst designation  
after successfully completing SURFA's CRRA examination.

Michigan State University  
Institute of Public Utilities  
N.A.R.U.C. Annual Regulatory Studies Program, 1997 &1999

Florida State University  
Center for Professional Development & Public Service  
N.A.R.U.C. Annual Western Utility Rate School, 1996

**EXPERIENCE:**

Public Utilities Analyst V  
Residential Utility Consumer Office  
Phoenix, Arizona  
April 2001 – Present

Senior Rate Analyst  
Accounting & Rates - Financial Analysis Unit  
Arizona Corporation Commission, Utilities Division  
Phoenix, Arizona  
July 1999 – April 2001

Senior Rate Analyst  
Residential Utility Consumer Office  
Phoenix, Arizona  
December 1997 – July 1999

Utilities Auditor II and III  
Accounting & Rates – Revenue Requirements Analysis Unit  
Arizona Corporation Commission, Utilities Division  
Phoenix, Arizona  
October 1994 – November 1997

Tax Examiner Technician I / Revenue Auditor II  
Arizona Department of Revenue  
Transaction Privilege / Corporate Income Tax Audit Units  
Phoenix, Arizona  
July 1991 – October 1994

**RESUME OF RATE CASE AND REGULATORY PARTICIPATION**

<b><u>Utility Company</u></b>	<b><u>Docket No.</u></b>	<b><u>Type of Proceeding</u></b>
ICR Water Users Association	U-2824-94-389	Original CC&N
Rincon Water Company	U-1723-95-122	Rate Increase
Ash Fork Development Association, Inc.	E-1004-95-124	Rate Increase
Parker Lakeview Estates Homeowners Association, Inc.	U-1853-95-328	Rate Increase
Mirabell Water Company, Inc.	U-2368-95-449	Rate Increase
Bonita Creek Land and Homeowner's Association	U-2195-95-494	Rate Increase
Pineview Land & Water Company	U-1676-96-161	Rate Increase
Pineview Land & Water Company	U-1676-96-352	Financing
Montezuma Estates Property Owners Association	U-2064-96-465	Rate Increase
Houghland Water Company	U-2338-96-603 et al	Rate Increase
Sunrise Vistas Utilities Company – Water Division	U-2625-97-074	Rate Increase
Sunrise Vistas Utilities Company – Sewer Division	U-2625-97-075	Rate Increase
Holiday Enterprises, Inc. dba Holiday Water Company	U-1896-97-302	Rate Increase
Gardener Water Company	U-2373-97-499	Rate Increase
Cienega Water Company	W-2034-97-473	Rate Increase
Rincon Water Company	W-1723-97-414	Financing/Auth. To Issue Stock
Vail Water Company	W-01651A-97-0539 et al	Rate Increase
Bermuda Water Company, Inc.	W-01812A-98-0390	Rate Increase
Bella Vista Water Company	W-02465A-98-0458	Rate Increase
Pima Utility Company	SW-02199A-98-0578	Rate Increase

**RESUME OF RATE CASE AND REGULATORY PARTICIPATION (Cont.)**

<b><u>Utility Company</u></b>	<b><u>Docket No.</u></b>	<b><u>Type of Proceeding</u></b>
Pineview Water Company	W-01676A-99-0261	WIFA Financing
I.M. Water Company, Inc.	W-02191A-99-0415	Financing
Marana Water Service, Inc.	W-01493A-99-0398	WIFA Financing
Tonto Hills Utility Company	W-02483A-99-0558	WIFA Financing
New Life Trust, Inc. dba Dateland Utilities	W-03537A-99-0530	Financing
GTE California, Inc.	T-01954B-99-0511	Sale of Assets
Citizens Utilities Rural Company, Inc.	T-01846B-99-0511	Sale of Assets
MCO Properties, Inc.	W-02113A-00-0233	Reorganization
American States Water Company	W-02113A-00-0233	Reorganization
Arizona-American Water Company	W-01303A-00-0327	Financing
Arizona Electric Power Cooperative	E-01773A-00-0227	Financing
360networks (USA) Inc.	T-03777A-00-0575	Financing
Beardsley Water Company, Inc.	W-02074A-00-0482	WIFA Financing
Mirabell Water Company	W-02368A-00-0461	WIFA Financing
Rio Verde Utilities, Inc.	WS-02156A-00-0321 et al	Rate Increase/ Financing
Arizona Water Company	W-01445A-00-0749	Financing
Loma Linda Estates, Inc.	W-02211A-00-0975	Rate Increase
Arizona Water Company	W-01445A-00-0962	Rate Increase
Mountain Pass Utility Company	SW-03841A-01-0166	Financing
Picacho Sewer Company	SW-03709A-01-0165	Financing
Picacho Water Company	W-03528A-01-0169	Financing
Ridgeview Utility Company	W-03861A-01-0167	Financing
Green Valley Water Company	W-02025A-01-0559	Rate Increase
Bella Vista Water Company	W-02465A-01-0776	Rate Increase
Arizona Water Company	W-01445A-02-0619	Rate Increase

**RESUME OF RATE CASE AND REGULATORY PARTICIPATION (Cont.)**

<b><u>Utility Company</u></b>	<b><u>Docket No.</u></b>	<b><u>Type of Proceeding</u></b>
Arizona-American Water Company	W-01303A-02-0867 et al.	Rate Increase
Arizona Public Service Company	E-01345A-03-0437	Rate Increase
Rio Rico Utilities, Inc.	WS-02676A-03-0434	Rate Increase
Qwest Corporation	T-01051B-03-0454	Renewed Price Cap
Chaparral City Water Company	W-02113A-04-0616	Rate Increase
Arizona Water Company	W-01445A-04-0650	Rate Increase
Tucson Electric Power	E-01933A-04-0408	Rate Review
Southwest Gas Corporation	G-01551A-04-0876	Rate Increase
Arizona-American Water Company	W-01303A-05-0405	Rate Increase
Black Mountain Sewer Corporation	SW-02361A-05-0657	Rate Increase
Far West Water & Sewer Company	WS-03478A-05-0801	Rate Increase
Gold Canyon Sewer Company	SW-02519A-06-0015	Rate Increase
Arizona Public Service Company	E-01345A-05-0816	Rate Increase
Arizona-American Water Company	W-01303A-05-0718	Transaction Approval
Arizona-American Water Company	W-01303A-05-0405	ACRM Filing
Arizona-American Water Company	W-01303A-06-0014	Rate Increase
UNS Gas, Inc.	G-04204A-06-0463	Rate Increase
Arizona-American Water Company	WS-01303A-06-0491	Rate Increase
UNS Electric, Inc.	E-04204A-06-0783	Rate Increase
Arizona-American Water Company	W-01303A-07-0209	Rate Increase
Tucson Electric Power	E-01933A-07-0402	Rate Increase
Southwest Gas Corporation	G-01551A-07-0504	Rate Increase
Chaparral City Water Company	W-02113A-07-0551	Rate Increase
Arizona Public Service Company	E-01345A-08-0172	Rate Increase
Johnson Utilities, LLC	WS-02987A-08-0180	Rate Increase
Arizona-American Water Company	W-01303A-08-0227 et al.	Rate Increase

**RESUME OF RATE CASE AND REGULATORY PARTICIPATION (Cont.)**

<b><u>Utility Company</u></b>	<b><u>Docket No.</u></b>	<b><u>Type of Proceeding</u></b>
UNS Gas, Inc.	G-04204A-08-0571	Rate Increase
Arizona Water Company	W-01445A-08-0440	Rate Increase
Far West Water & Sewer Company	WS-03478A-08-0608	Interim Rate Increase
Black Mountain Sewer Corporation	SW-02361A-08-0609	Rate Increase
Global Utilities	SW-02445A-09-0077 et al.	Rate Increase
Litchfield Park Service Company	SW-01428A-09-0104 et al.	Rate Increase
UNS Electric, Inc.	E-04204A-09-0206	Rate Increase
Rio Rico Utilities, Inc.	WS-02676A-08-09-0257	Rate Increase
Arizona-American Water Company	W-01303A-09-0343	Rate Increase
Bella Vista Water Company	W-02465A-09-0411 et al.	Rate Increase
Chaparral City Water Company	W-02113A-10-0309	Reorganization
Qwest Communications International	T-04190A-10-0194 et al.	Merger
CenturyLink, Inc.	T-04190A-10-0194 et al.	Merger
Goodman Water Company	W-02500A-10-0382	Rate Increase
Southwest Gas Corporation	G-01551A-10-0458	Rate Increase
Arizona-American Water Company	W-01303A-10-0448	Rate Increase