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BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE
CHAIRMAN
BOB STUMP
COMMISSIONER
SANDRA D. KENNEDY
COMMISSIONER
PAUL NEWMAN
COMMISSIONER
BRENDA BURNS
COMMISSIONER

Arizona Corporation Commission

DOCKETED

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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

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

ARIZONA CORPORATION COMMISSION
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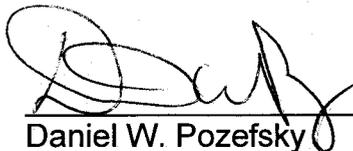
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NOTICE OF FILING

The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing the Testimony Summaries of William A. Rigsby and Rodney L. Moore in the above-referenced matter.

1 RESPECTFULLY SUBMITTED THIS 8th day of November, 2011

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4 Daniel W. Pozefsky
5 Chief Counsel

6 AN ORIGINAL AND THIRTEEN COPIES
7 of the foregoing filed this 8th day
8 of November, 2011 with:

9 Docket Control
10 Arizona Corporation Commission
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12 Phoenix, Arizona 85007

13 COPIES of the foregoing hand delivered/
14 Mailed or emailed this 8th day of November, 2011 to:

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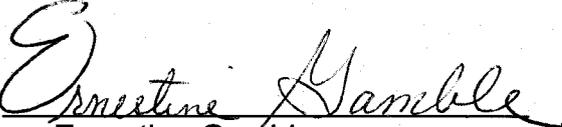
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By 
Ernestine Gamble

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Arizona-American Water Company
Docket No. W-01303A-09-0343 & Docket No. SW-01303A-09-0343
Proposed Deconsolidation - Anthem/Agua Fria Wastewater District

SUMMARY OF THE TESTIMONY OF WILLIAM A. RIGSBY
ON BEHALF OF THE RESIDENTIAL UTILITY CONSUMER OFFICE

The following is a summary of the significant issues set forth in both the direct and the surrebuttal testimony of RUCO witness William A. Rigsby on Arizona-American Water Company's ("AAWC" or "Company") proposed deconsolidation of the Company's Anthem/Agua Fria Wastewater District. AAWC filed its application on the proposed deconsolidation ("Application") with the Arizona Corporation Commission ("ACC" or "Commission") on April 1, 2011, pursuant to Decision No. 72047, dated January 6, 2011. AAWC's Application supports consideration of stand-alone revenue requirements and rate designs for the Anthem/Agua Fria Wastewater District. In his direct and surrebuttal testimony, Mr. Rigsby is recommending the following:

Based on his review of AAWC's filing, Mr. Rigsby is recommending that the Commission adopt the Company's proposed stand-alone rate base and operating income levels.

Mr. Rigsby is also recommending that the Commission adopt the Anthem Community Council's plan to mitigate the rate impact of the Company's proposed stand-alone rate base and operating income levels.

SUMMARY OF THE TESTIMONY OF WILLIAM A. RIGSBY (Cont.)

Mr. Rigsby agrees with AAWC's preference for the term "revenue transition" to describe the Anthem Community Council's plan to mitigate the rate impact of the Company's proposed deconsolidation of the Anthem/Agua Fria Wastewater District.

Mr. Rigsby is also in agreement with AAWC's position on winter-average rate design.

Arizona-American Water Company
Docket No. W-01303A-09-0343 & Docket No. SW-01303A-09-0343
Proposed Deconsolidation - Anthem/Agua Fria Wastewater District

SUMMARY OF THE TESTIMONY OF RODNEY L. MOORE
ON BEHALF OF THE RESIDENTIAL UTILITY CONSUMER OFFICE

The following is a summary of the significant issues set forth in the direct testimony of RUCO witness Rodney L. Moore on Arizona-American Water Company's ("AAWC" or "Company") proposed deconsolidation of the Company's Anthem/Agua Fria Wastewater District. AAWC filed its application on the proposed deconsolidation ("Application") with the Arizona Corporation Commission ("ACC" or "Commission") on April 1, 2011, pursuant to Decision No. 72047, dated January 6, 2011. AAWC's Application supports consideration of stand-alone revenue requirements and rate designs for the Anthem/Agua Fria Wastewater District. In his direct testimony, Mr. Moore is recommending the following:

Based on his analysis of AAWC's application to support consideration of stand-alone rates for the Anthem/Agua Fria Wastewater District, Mr. Moore is recommending that the Company's rate design be revised to hold Anthem residential ratepayers harmless for any manipulation of other water user's ("OWU") rates and charges so that residential ratepayers contribute the same percentage of the revenue requirement as authorized in ACC Decision No. 72047.

SUMMARY OF THE TESTIMONY OF RODNEY L. MOORE (Cont.)

Mr. Moore also recommends increasing the revenue generated in Anthem from the OWU customer class to \$500,000. Mr. Moore believes that a \$500,000 revenue requirement will beneficially impact the Anthem residential ratepayers' contribution rate by maintaining it at approximately 80 percent.

Under Mr. Moore's recommendations, a typical Anthem customer's bill, with average water usage of 5,814 gallons per month, would be \$54.39 or an increase of 13.33 percent over the present rate of \$47.99. A typical Agua Fria customer's bill, with average water usage of 5,297 gallons per month, would be \$108.34 or an increase of 134.53 percent over the present rate of \$46.19.