

SW-01303A-09-0343
W-01303A-09-0343

ORIGINAL



0000131687

Sheila M. Stoeller

From: Valorie Nimmo on behalf of Utilities Div - Mailbox
Sent: Monday, November 14, 2011 9:35 AM
To: Sheila M. Stoeller
Subject: FW: Comment: Notice of a Calculation Error in Winter Average Wastewater Issue, et al, Docket: SW-01303A-09-0343
Attachments: WinterRUCO.pdf; WinterFlyer.pdf; Bill Insert Waste.pdf

RECEIVED

2011 NOV 14 A 10:20

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

NOV 14 2011

From: Bob Golembe [mailto:anthemkid@cox.net]
Sent: Thursday, November 10, 2011 9:57 AM
To: Stump-Web; Newman-Web; Kennedy-Web; Burns-Web; Pierce-Web
Cc: Utilities Div - Mailbox; Thomas Broderick; Judith Dworkin; Dan Pozefsky; Rodney Moore; Jodi Jerich
Subject: Comment: Notice of a Calculation Error in Winter Average Wastewater Issue, et al, Docket: SW-01303A-09-0343

DOCKETED BY

Dear Chairman Pierce and Commissioners:

I believe there is a significant winter average usage ratepayer calculation error in the summary testimony provided by RUCO analyst, Mr. Rodney Moore, dated Nov. 8, 2011, page 2 (see attachment: "WinterRUCO.pdf").

Per this document, Mr. Moore states that for an average usage of 5,814 gal, that the Anthem ratepayer will be billed \$54.39 or 13.3% over the present rate of **\$47.99**. However, per the Arizona American Water, the 2011 wastewater rate schedule (see attachment: "Bill Insert Waste.pdf"), a calculation of the present rate results in **\$68.88** (\$39.84 base + 5,814 gal * \$4.9946/Kgal) which yields a decrease of 21.0%. In both calculations, the new rate of \$54.39 (5,814 gal/Kgal * \$9.355) is not disputed; it is the calculation difference for the present rate.

I am also the recipient of a notification flyer (see attachment: "WinterFlyer.pdf) from Arizona American Water for the new program entitled: "Manage Winter Water Usage". It states: "YOUR WASTEWATER BILL WILL SOON BE BASED UPON YOUR WINTER WATER USAGE". This program is a product of Decision No. 72047 to mitigate a 20,000 gal user from paying the same as a 7,000 gal user (as presently capped) based upon winter water usage.

While all Anthem ratepayers expect this program to go into effect starting Jan. 2012 and billing starting June 2012, the Anthem Council per witness Mr. Dan Neidlinger has filed testimony requesting this program to be either delayed or rescinded. It is my opinion that: 1) this request is out-of-scope or not relevant to the docket subject of deconsolidation between Anthem and Agua Fria Wastewater Districts, 2) that Council should have filed an appeal within 20 days of Decision No. 72047, and 3) reversing or delaying a decision is not the same as adjusting rate schedules.

If the Commission decides to delay or rescind this program, it will create a public relations nightmare with Anthem ratepayers and would necessitate a complete and detailed explanation. Thus far, the Council states in their testimony that 60% of the ratepayers will

11/14/2011

benefit from this program. This is a progressive program and for those 35% that do not benefit because they are high volume users, they should pay more.

I am asking the Commission to consider the above and per Decision No. 72047 go forward with is program as planned.

Respectfully,

Bob Golembe
Anthem, AZ

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Respectfully,

Bob Golembe
Anthem, AZ

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.

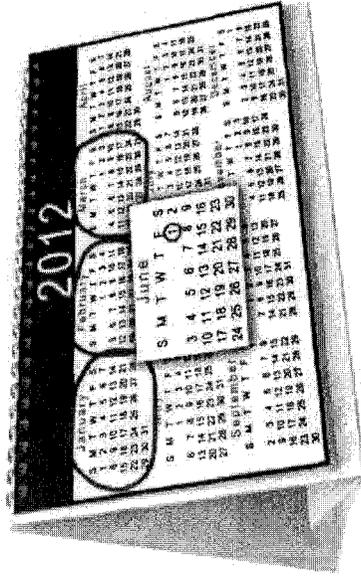
Under Mr. Moore's recommendations, a typical Anthem customer's bill, with average water usage of 5,814 gallons per month, would be \$54.39 or an increase of 13.33 percent over the present rate of \$47.99. A typical Agua Fria customer's bill, with average water usage of 5,297 gallons per month, would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

MANAGE WINTER WATER USAGE
YOUR WASTEWATER BILL WILL SOON BE BASED ONLY ON YOUR WINTER WATER USAGE

The Arizona Corporation Commission approved a new winter-based rate for our Anthem/Agua Fria residential wastewater customers.

Starting on June 1, 2012, each residential customer's wastewater charges will be based on the monthly average of that customer's winter water usage during the previous January, February and March period. Water bills from winter months are often used to compute wastewater bills in many communities because it is the season when most customers have the lowest outdoor water use.

Your monthly wastewater bill for the one-year period beginning in June 2012 will be based on the monthly average of your 2012 winter water usage. Your wastewater bill will be revised annually beginning each June based on your previous winter water usage.



EXAMPLE:

ACTUAL RESIDENTIAL WATER USAGE IN GALLONS

	January 2012	February 2012	March 2012	Total	WINTER MONTHLY AVERAGE 2012
	5,000	6,000	7,000	18,000	6,000

In this example, the 2012 winter average of 6,000 gallons would be used to determine the monthly wastewater charges for each month from June 2012 through May 2013. Thereafter, each winter's actual water usage during the months of January, February and March would determine the winter average that would be used to determine the monthly wastewater charges for the next 12 month period beginning in June.

For more information, please call us at (800) 383-0834.

NOTE: THIS IS NOT A RATE INCREASE

CUSTOMER NOTICE

CHANGE OF RATES AND CHARGES
ARIZONA-AMERICAN WATER
COMPANY ANTHEM / AGUA FRIA
WASTEWATER DISTRICT
DOCKET NO. W-01303A-09-0343
AND SW-01303A-09-0343

January 3, 2011

Dear Anthem / Agua Fria Wastewater District
Customer:

At its Open Meeting on December 15, 2010, the Arizona Corporation Commission adopted a settlement agreement which approved a rate increase, requested by Arizona-American Water Company, to be effective January 1, 2011.

The recent approval will increase the monthly bill for a customer with a 5/8" x 3/4" meter, with average water usage of 5,632 gallons per month, from \$47.36 per month to \$67.97 per month, an increase of \$20.61 or approximately 43.5 percent. See included rate schedule.

If you have any questions regarding this notice, please contact us at 1-800-383-0834 for more information or go to our website at www.arizonaamwater.com.



ARIZONA
AMERICAN WATER

WE CARE ABOUT WATER. IT'S WHAT WE DO.®
(800) 383-0834 • www.arizonaamwater.com

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ANTHEM / AGUA FRIA WASTEWATER - RATE SCHEDULE

MONTHLY USAGE CHARGE	
Residential	\$39.84
Commercial 5/8"	44.48
Commercial 3/4"	66.72
Commercial 1"	89.06
Commercial LG	178.05
Commodity Charge (Per 1,000 gallons water usage)	
Residential (First 7,000 gallons only)	\$4.9946
Commercial 5/8" (First 10,000 gallons only)	5.5760
Commercial 3/4" (First 15,000 gallons only)	5.5760
Commercial 1" (First 20,000 gallons only)	5.5760
Commercial LG (All gallons)	5.5760
Wholesale Phoenix (All gallons)	5.5760
Effluent Charge	
All gallons (Per Acre foot)	\$250.00
All gallons (Per 1,000 gallons)	0.77
Annual Fee for Industrial Discharge Service	
<=50,000 gallons water per month	\$500.00
> 50,000 gallons water per month	1,000.00
Sewer Facilities Hook Up Fees	
Fee per Equivalent Residential Unit ("ERU")	765.00
ERU Schedule	
Single Family Home	1.00
Apartment Units	0.50
Commercial Units (per acre)	4.00
Resorts (per room)	0.50

SERVICE CHARGES	
Establishment during business hours	\$30.00
Establishment after business hours	45.00
Reconnection (delinquent)	40.00
Reconnection after hours	55.00
NSF Check	15.00
Late Fee (Per Month)	1.50%