

ORIGINAL

COMMISSIONERS
GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS



ARIZONA CORPORATION COMMISSION



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Arizona Corporation Commission
DOCKETED

MAY 07 2012

DATE: MAY 7, 2012

DOCKETED BY *LJM*

DOCKET NOS.: W-01303A-09-0343 AND SW-01303A-09-0343

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Teena Jibilian. The recommendation has been filed in the form of an Order on:

ARIZONA-AMERICAN WATER COMPANY
(ORDER NUNC PRO TUNC CORRECTING
CLERICAL ERRORS IN DECISION NO. 72047)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

MAY 16, 2012

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

MAY 22, 2012 and MAY 23, 2012

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

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E. G. Johnson
ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 GARY PIERCE, Chairman
4 BOB STUMP
5 SANDRA D. KENNEDY
6 PAUL NEWMAN
7 BRENDA BURNS

8 IN THE MATTER OF THE APPLICATION OF
9 ARIZONA-AMERICAN WATER COMPANY, AN
10 ARIZONA CORPORATION, FOR A
11 DETERMINATION OF THE CURRENT FAIR
12 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, AND POSSIBLE RATE
CONSOLIDATION FOR ALL OF ARIZONA-
AMERICAN WATER COMPANY'S DISTRICTS.

DOCKET NO. W-01303A-09-0343

13 IN THE MATTER OF THE APPLICATION OF
14 ARIZONA-AMERICAN WATER COMPANY, AN
15 ARIZONA CORPORATION, FOR A
16 DETERMINATION OF THE CURRENT FAIR
17 VALUE OF ITS UTILITY PLANT AND
18 PROPERTY AND FOR INCREASES IN ITS
19 RATES AND CHARGES BASED THEREON FOR
20 UTILITY SERVICE BY ITS ANTHEM/AGUA
FRIA WASTEWATER DISTRICT, ITS SUN CITY
WASTEWATER DISTRICT AND ITS SUN CITY
WEST WASTEWATER DISTRICT, AND
POSSIBLE RATE CONSOLIDATION FOR ALL
OF ARIZONA-AMERICAN WATER
COMPANY'S DISTRICTS.

DOCKET NO. SW-01303A-09-0343

ORDER NUNC PRO TUNC
CORRECTING CLERICAL ERRORS
IN DECISION NO. 72047

21 Open Meeting
22 May 22 and 23, 2012
23 Phoenix, Arizona

24 **BY THE COMMISSION:**

25 * * * * *

26 Having considered the entire record herein and being fully advised in the premises, the
27 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

28 **FINDINGS OF FACT**

1. On January 6, 2011, the Commission issued Decision No. 72047 authorizing new rates

1 for Arizona-American Water Company's (now doing business as EPCOR Water Arizona, Inc.)
2 ("Company's" or "EPCOR's") Anthem Water, Sun City Water, Anthem-Agua Fria Wastewater, Sun
3 City Wastewater and Sun City West Wastewater districts. New tariff schedules for each of those
4 districts were attached to Decision No. 72047 as Exhibit A.

5 2. On March 28, 2012, the Company filed a Motion for Entry of Procedural Order Nunc
6 Pro Tunc Correcting Decision No. 72047 ("Motion"). The Motion includes corrected tariff schedules
7 for the Sun City Wastewater and Sun City West Wastewater districts. In the Motion, the Company
8 states that in the course of a recent rate audit undertaken due to the new ownership and billing service
9 transition, the Company discovered that the tariff schedules in Exhibit A to Decision No. 72047 for
10 the Sun City Wastewater and Sun City West Wastewater districts contain inadvertent omissions with
11 respect to Commercial Single and Multi Unit 5/8-inch through 2-inch meter customers. The
12 Company states that the rate structure for those customers has included usage limits on the volumetric
13 charge which vary by meter size, as shown on the corrected tariff schedules attached to the Motion,
14 and the rate schedules in Exhibit A to Decision No. 72047 for the Sun City Wastewater and Sun City
15 West Wastewater districts inadvertently omitted those volumetric charge limits.

16 3. The Motion states that the omission of the volumetric charge tier limits was apparently
17 a typographical error, as neither the Commission's Utilities Division ("Staff") nor any other party to
18 the rate case indicated any desire to deviate from the then-existing volumetric charge limits, and the
19 proofs of revenue undertaken by Staff and the Company following Decision No. 72047 considered
20 only the then-existing tier structures for Commercial Single and Multi Unit customers. The Company
21 states that following Decision No. 72047, the Company has continued to bill its Sun City Wastewater
22 and Sun City West Wastewater district Commercial Single and Multi Unit customers consistent with
23 the volumetric charge limits, and therefore no over- or under-billing has occurred.

24 4. On April 24, 2012, Staff filed its Response in Support of EPCOR's Request for a
25 Nunc Pro Tunc Order Correcting Decision No. 72047. Staff agrees with the Company that neither
26 Staff nor any other party to the rate case indicated any desire to deviate from the then-existing
27 volumetric charge limits for Commercial Single and Multi Unit 5/8-inch through 2-inch meter
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1 customers for the Sun City Wastewater and Sun City West Wastewater districts, and that the
2 omissions appear to be purely typographical in nature. Staff states that it supports the relief requested
3 in EPCOR's Motion.

4 5. Exhibit A to Decision No. 72047 contained clerical errors in the tariff schedule for the
5 Sun City Wastewater and Sun City West Wastewater districts that omitted the volumetric charge tier
6 limits associated with meter size for Commercial Single and Multi Unit 5/8-inch through 2-inch
7 meter customers.

8 6. The Company attached to its Motion corrected tariff schedules for the Sun City
9 Wastewater and Sun City West Wastewater districts, which correctly show the volumetric charge tier
10 limits associated with meter size for Commercial Single and Multi Unit 5/8-inch through 2-inch
11 meter customers. Those corrected tariff schedules are attached to this Order Nunc Pro Tunc as
12 Exhibit A. The corrected tariff schedules should replace the incorrect tariff schedules for the Sun
13 City Wastewater and Sun City West Wastewater district that were included in Exhibit A to Decision
14 No. 72047.

15 **CONCLUSIONS OF LAW**

16 1. The Company is a public service corporation within the meaning of Article XV of the
17 Arizona Constitution and A.R.S. §§ 40-250 and 40-251.

18 2. The Commission has jurisdiction over the Company and the subject matter of this
19 proceeding.

20 3. It is reasonable and in the public interest to correct, nunc pro tunc, the clerical errors in
21 Exhibit A to Decision No. 72047 by replacing the incorrect tariff schedules for the Sun City
22 Wastewater and Sun City West Wastewater districts with the corrected tariff schedules attached to
23 this Order Nunc Pro Tunc as Exhibit A.

24 **ORDER**

25 IT IS THEREFORE ORDERED that the Sun City Wastewater and Sun City West Wastewater
26 district tariff schedules that appear in Exhibit A to Decision No. 72047 are hereby corrected, nunc pro
27 tunc, and replaced with corrected tariff schedules for those districts that show the volumetric charge
28

1 tier limits. The corrected tariff schedules are attached hereto as Exhibit A.

2 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

3 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
4
5

6 CHAIRMAN

COMMISSIONER

8 COMMISSIONER

COMMISSIONER

COMMISSIONER

9
10 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
11 Executive Director of the Arizona Corporation Commission,
12 have hereunto set my hand and caused the official seal of the
13 Commission to be affixed at the Capitol, in the City of Phoenix,
14 this _____ day of _____, 2012.

14 _____
15 ERNEST G. JOHNSON
16 EXECUTIVE DIRECTOR

17 DISSENT _____

19 DISSENT _____
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EPCOR WATER ARIZONA, INC. ANTHEM WATER
DISTRICT, SUN CITY WATER DISTRICT,
ANTHEM-AGUA FRIA WASTEWATER DISTRICT,
SUN CITY WASTEWATER DISTRICT, AND SUN
CITY WEST WASTEWATER DISTRICT.
W-01303A-09-0343 AND SW-01303A-09-0343
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EXHIBIT A
SUN CITY WASTEWATER

Monthly Usage Charge:**Residential**

Single Unit 5/8" x 3/4"	\$ 18.11
Single Unit 1"	46.86
Single Unit 1-1/2"	93.73
Single Unit =>2"	149.96
Single Unit Non Water	18.11
Multi Unit All Water	18.11
Multi Unit Non Water	18.11

Commercial

WC	\$ 5.64
DW	43.03
WM	10.48
WR	21.31
RR	10.94
Paradise Park I/U	8,711.69
Single Unit >2"	73.63
Single Unit Non Water	73.63
Multi Unit >2"	73.63
Multi Unit Non Water	73.63
Large User => 2"	73.63

Commercial Volumetric Charge

(Per 1,000 gallons water usage) \$ 1.2862

Paradise Park I/U Volumetric Charge

(Per 1,000 gallons water usage) \$ 1.8770

Monthly Usage Charge:**Commercial**

Single Unit 5/8" x 3/4"	\$ 9.20
Multi Unit 5/8" x 3/4"	9.20
Above Volumetric Charge (Per 1,000 gallons, 5,000 gallon limit)	\$ 1.2862
Single Unit 1"	\$ 23.02
Multi Unit 1"	23.02
Above Volumetric Charge (Per 1,000 gallons, 12,500 gallon limit)	\$ 1.2862
Single Unit 1-1/2"	\$ 46.02
Multi Unit 1-1/2"	46.02
Above Volumetric Charge (Per 1,000 gallons, 25,000 gallon limit)	\$ 1.2862
Single Unit 2"	\$ 73.63
Multi Unit 2"	73.63
Above Volumetric Charge (Per 1,000 gallons, 40,000 gallon limit)	\$ 1.2862

EXHIBIT A
SUN CITY WASTEWATER

Annual Fee for Industrial Discharge Service

<=50,000 gallons water per month	\$ 500.00
> 50,000 gallons water per month	1,000.00

SERVICE CHARGES:

Reconnection (During business hours)	\$30.00
Reconnection (After business hours)	40.00
Insufficient Funds, NSF Fee	10.00

EXHIBIT A
SUN CITY WEST WASTEWATER

Monthly Usage Charge:**Residential**

Single Unit 5/8" x 3/4"	\$ 30.96
Single Unit 1"	77.40
Single Unit 1-1/2"	154.79
Single Unit =>2"	247.66
S Unit Non Water	30.96
M all Unit	30.96

Commercial

WC	\$ 11.65
DW	93.42
WM	21.80
WR	45.67
S Unit >2"	141.23
S Unit Non Water	141.23
S Unit >2"	141.23
S Unit LU =>2"	141.23

Above Commercial Volumetric Charge

(Per 1,000 gallons water usage) \$ 2.6024

Monthly Usage Charge:**Commercial**

S Unit 5/8" x 3/4"	\$ 17.65
M Unit 5/8" x 3/4"	17.65

Above Volumetric Charge (Per 1,000 gallons, 5,000 gallon limit) \$ 2.6024

S Unit 1"	\$ 44.13
M Unit 1"	44.13

Above Volumetric Charge (Per 1,000 gallons, 12,500 gallon limit) \$ 2.6024

S Unit 1-1/2"	\$ 88.27
M Unit 1-1/2"	88.27

Above Volumetric Charge (Per 1,000 gallons, 25,000 gallon limit) \$ 2.6024

S Unit 2"	\$ 141.23
M Unit 2"	141.23

Above Volumetric Charge (Per 1,000 gallons, 40,000 gallon limit) \$ 2.6024

SERVICE CHARGES:

Reconnection (During business hours)	\$30.00
Reconnection (After business hours)	40.00
Insufficient Funds, NSF Fee	25.00