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BEFORE THE ARIZONA CORPORATIO.

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COMMISSIONERS

GARY PIERCE, Chairman
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SANDRA D. KENNEDY
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REG. FILED
AZ CORP COMMISSION
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Arizona Corporation Commission

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DEC 18 2012

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IN THE MATTER OF THE APPLICATION OF
VALENCIA WATER COMPANY – TOWN DIVISION
FOR THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES FOR UTILITY
SERVICE DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE OF ARIZONA.

Docket No. W-01212A-12-0309

IN THE MATTER OF THE APPLICATION OF
GLOBAL WATER – PALO VERDE UTILITIES
COMPANY FOR THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES FOR UTILITY
SERVICE DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE OF ARIZONA.

Docket No. SW-20445A-12-0310

IN THE MATTER OF THE APPLICATION OF WATER
UTILITY OF NORTHERN SCOTTSDALE, INC. FOR A
RATE INCREASE.

Docket No. W-03720A-12-0311

IN THE MATTER OF THE APPLICATION OF
WATER UTILITY OF GREATER TONOPAH FOR
THE ESTABLISHMENT OF JUST AND REASONABLE
RATES AND CHARGES FOR UTILITY SERVICE
DESIGNED TO REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS PROPERTY
THROUGHOUT THE STATE OF ARIZONA.

Docket No. W-02450A-12-0312

IN THE MATTER OF THE APPLICATION OF
VALENCIA WATER COMPANY – GREATER
BUCKEYE DIVISION FOR THE ESTABLISHMENT OF
JUST AND REASONABLE RATES AND CHARGES FOR
UTILITY SERVICE DESIGNED TO REALIZE A
REASONABLE RATE OF RETURN ON THE FAIR
VALUE OF ITS PROPERTY THROUGHOUT THE
STATE OF ARIZONA.

Docket No. W-02451A-12-0313

2nd REQUEST TO AMEND
CUSTOMER NOTICE LANGUAGE

1 IN THE MATTER OF THE APPLICATION OF
2 GLOBAL WATER – SANTA CRUZ WATER COMPANY
3 FOR THE ESTABLISHMENT OF JUST AND
4 REASONABLE RATES AND CHARGES FOR UTILITY
5 SERVICE DESIGNED TO REALIZE A REASONABLE
6 RATE OF RETURN ON THE FAIR VALUE OF ITS
7 PROPERTY THROUGHOUT THE STATE OF ARIZONA.

Docket No. W-20446A-12-0314

5 IN THE MATTER OF THE APPLICATION OF
6 WILLOW VALLEY WATER COMPANY FOR THE
7 ESTABLISHMENT OF JUST AND REASONABLE
8 RATES AND CHARGES FOR UTILITY SERVICE
9 DESIGNED TO REALIZE A REASONABLE RATE OF
10 RETURN ON THE FAIR VALUE OF ITS PROPERTY
11 THROUGHOUT THE STATE OF ARIZONA.

Docket No. W-01732A-12-0315

**2nd REQUEST TO AMEND
CUSTOMER NOTICE LANGUAGE**

10 Global Water – Palo Verde Utilities Company (“Palo Verde”), Global Water – Santa Cruz
11 Water Company, Valencia Water Company – Town Division, Valencia Water Company – Greater
12 Buckeye Division, Water Utility of Greater Tonopah, Willow Valley Water Co. and Water Utility
13 of Northern Scottsdale (collectively, the “Global Utilities”) file this second request to amend the
14 customer notice language required by the Procedural Order.

15 **I. Background and Procedural History.**

16 These cases were filed on July 9, 2012 and consolidated by a Procedural Order issued
17 November 20, 2012. That Procedural Order also requires the Global Utilities provide customer
18 notice with specified language beginning with the first billing cycle in January 2013. The Global
19 Utilities previously discovered an issue with respect to the customer notice language for Palo
20 Verde, and filed a request to revise the Palo Verde customer notice language on November 27,
21 2012. The assigned Administrative Law Judge granted the request in a Procedural Order dated
22 November 30, 2012.

23 After further review of the customer notice language, the Global Utilities have discovered
24 additional issues with the customer notice language, and accordingly they request further
25 revisions. First, there is an error in the Valencia – Town Division, Valencia – Greater Buckeye
26 and Water Utility of Greater Tonopah notices. Second, the three West Valley notices do not
27 include a description of the Global Utilities proposal to consolidate the West Valley utilities.

1 Third, the Global Utilities have prepared a rate case website, and they suggest that a reference to
2 this website be included in the customer notice.

3 **II. Valencia Town Issue**

4 The Procedural Order directs the Global Utilities to provide the following notice:

5 Valencia Water Company - Town Division's application requests a gross annual
6 revenue increase of approximately \$502,430 or 20.0 percent over current
7 revenues. For 5/8-inch and 3/4-inch meter residential customers of Valencia
8 Water Company - Town Division, with usage of 7,000 gallons per month (test
9 year average monthly usage was 6,718 gallons), the Company's request would
10 increase monthly rates by \$10.00, from \$45.60 to \$55.60, or 21.93 percent.

11 But based on the final schedules for Valencia Water Company – Town Division, the notice
12 should read:

13 Valencia Water Company - Town Division's application requests a gross annual
14 revenue increase of approximately \$825,149 or 16.7 percent over current
15 revenues. For 5/8-inch and 3/4-inch meter residential customers of Valencia
16 Water Company - Town Division, with usage of 7,000 gallons per month (test
17 year average monthly usage was 6,718 gallons), the Company's request would
18 increase monthly rates by \$10.00, from \$45.60 to \$55.60, or 21.93 percent.

19 Similar errors in the notices for Valencia Water Company – Greater Buckeye Division
20 and Water Utility of Greater Tonopah were also discovered, and are corrected in the
21 sample notice language shown in the next section. Attached as Exhibit A is a schedule
22 showing the relevant data drawn from the three west valley utilities based on their most
23 recent rate schedules.

24 **III. West Valley Consolidated Rate Schedules.**

25 The Global Utilities' rate application also proposes consolidation of the rates of Valencia
26 Water Company –Town Division, Valencia Water Company – Greater Buckeye Division and
27 Water Utility of Greater Tonopah. See Direct Testimony of Matthew J. Rowell (Excluding Rate of
Return) at pages 2-10. Whether the consolidation proposal is approved will have a significant
impact on the proposed rates for customers of Water Utility of Greater Tonopah. Thus, the Global

1 Utilities believe that the alternative, consolidated rates should be provided in the notice in addition
2 to the non-consolidated rates. Using the Valencia proposed language above, the notice would be
3 extended to read:

4 **Valencia Water Company - Town Division's** application requests a gross
5 annual revenue increase of approximately \$825,149 or 16.70 percent over current
6 revenues. For 5/8-inch and 3/4-inch meter residential customers of Valencia
7 Water Company - Town Division, with usage of 7,000 gallons per month (test
8 year average monthly usage was 6,718 gallons), the Company's request would
9 increase monthly rates by \$10.00, from \$45.60 to \$55.60, or 21.93 percent. In
10 addition, the Company proposes that its rates be consolidated with nearby water
11 systems under common ownership. Under the consolidated rate proposal, the
12 Company requests an annual revenue increase of approximately \$1,256,975 or
13 25.44 percent over current revenues. For 5/8-inch and 3/4-inch meter residential
14 customers of Valencia Water Company - Town Division, with usage of 7,000
15 gallons per month (test year average monthly usage was 6,718 gallons), the
16 Company's request would increase monthly rates by \$16.30, from \$45.60 to
17 \$61.90, or 35.75% percent.

18 The revised language for Valencia Water Company – Greater Buckeye Division and Water Utility
19 of Greater Tonopah is provided below:

20 **Valencia Water Company – Greater Buckeye Division's** application requests a
21 gross annual revenue increase of approximately \$35,611 or 7.71 percent over
22 current revenues. For 5/8-inch and 3/4-inch meter residential customers of
23 Valencia Water Company – Greater Buckeye Division, with usage of 9,000
24 gallons per month (test year average monthly usage was 8,778 gallons), the
25 Company's request would increase monthly rates by \$15.73, from \$42.32 to
26 \$58.05, or 37.17 percent. In addition, the Company proposes that its rates be
27 consolidated with nearby water systems under common ownership. Under the
consolidated rate proposal, the Company requests an annual revenue increase of
approximately \$131,771 or 28.52 percent over current revenues. For 5/8-inch and
3/4-inch meter residential customers of Valencia Water Company - Greater
Buckeye Division, with usage of 9,000 gallons per month (test year average
monthly usage was 8,778 gallons), the Company's request would increase
monthly rates by \$26.58, from \$42.32 to \$68.90, or 62.81% percent.

Water Utility of Greater Tonopah's application requests a gross annual revenue
increase of approximately \$678,348 or 326.59 percent over current revenues. For

1 5/8-inch and 3/4-inch meter residential customers of Water Utility of Greater
2 Tonopah, with usage of 8,000 gallons per month (test year average monthly usage
3 was 8,000 gallons), the Company's request would increase monthly rates by
4 \$127.64, from \$40.36 to \$168.00, or 316.25 percent. In addition, the Company
5 proposes that its rates be consolidated with nearby water systems under common
6 ownership. Under the consolidated rate proposal, the Company requests an
7 annual revenue increase of approximately \$120,324 or 57.93 percent over current
8 revenues. For 5/8-inch and 3/4-inch meter residential customers of Water Utility
9 of Greater Tonopah, with usage of 8,000 gallons per month (test year average
10 monthly usage was 8,000 gallons), the Company's request would increase
11 monthly rates by \$25.04, from \$40.36 to \$65.40, or 62.04% percent.

12 **IV. Adding reference to Company web-site.**

13 The Global Utilities have prepared a website for customers with questions about the rate
14 case. In addition, the Global Utilities have equipped their customer service representatives with a
15 rate calculator that will show the effect of the proposed rate increase on a particular customer's bill.
16 The Global Utilities believe that this supplemental information will be valuable to customers.
17 Accordingly, the Company requests approval to add the following language to each customer
18 notice:

19 If you would like the Company to calculate the bill impact of its proposal based
20 on your consumption, please contact its Customer Service at 1-855-518-4018 or
21 e-mail at RateCase@GWResources.com. For more information about Global
22 Water's rate application please visit
23 <http://www.gwresources.com/resources/Pages/customer/ratecase>.

24 **V. Conclusion.**

25 The Global Utilities request that the Administrative Law Judge issue a Procedural Order
26 approving the changes to the customer notice set forth above. Commission Staff has reviewed the
27 proposed changes and has no objection.

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RESPECTFULLY SUBMITTED this 18th day of December 2012.

ROSHKA DEWULF & PATTEN, PLC

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By 

Exhibit

"A"

Valencia Town

| | | | | | | | | | | | | | |
|-------------------|--------------|------------------|--------------|----------|------------|-----------|--------|---------------------------------|---------------------|----------|--------------|-----------|--------|
| Test Year Revenue | \$ 4,940,316 | Proposed Revenue | \$ 5,765,465 | Increase | 825,149.61 | %Increase | 16.70% | Proposed Revenue (Consolidated) | <u>\$ 6,197,291</u> | Increase | \$ 1,256,975 | %Increase | 25.44% |
|-------------------|--------------|------------------|--------------|----------|------------|-----------|--------|---------------------------------|---------------------|----------|--------------|-----------|--------|

Average Res Usage
6718

| | | | | | |
|-------------------------------|----------|--------------------------------|----------|---|----------|
| Current Bill at average usage | \$ 45.60 | Proposed Bill at Average Usage | \$ 55.60 | Proposed Bill at Average Usage (Consolidated) | \$ 61.90 |
|-------------------------------|----------|--------------------------------|----------|---|----------|

| | | | |
|-----------|----------|-----------|----------|
| Increase | \$ 10.00 | Increase | \$ 16.30 |
| %Increase | 21.93% | %Increase | 35.75% |

Valencia Greater Buckeye

| | | | | | | | | | | | | | |
|-------------------|------------|------------------|------------|----------|-----------|-----------|-------|---------------------------------|-------------------|----------|------------|-----------|--------|
| Test Year Revenue | \$ 462,043 | Proposed Revenue | \$ 497,654 | Increase | 35,611.08 | %Increase | 7.71% | Proposed Revenue (Consolidated) | <u>\$ 593,814</u> | Increase | \$ 131,771 | %Increase | 28.52% |
|-------------------|------------|------------------|------------|----------|-----------|-----------|-------|---------------------------------|-------------------|----------|------------|-----------|--------|

Average Res Usage
8778

| | | | | | |
|-------------------------------|----------|--------------------------------|----------|---|----------|
| Current Bill at average usage | \$ 42.32 | Proposed Bill at Average Usage | \$ 58.05 | Proposed Bill at Average Usage (Consolidated) | \$ 68.90 |
|-------------------------------|----------|--------------------------------|----------|---|----------|

| | | | |
|-----------|----------|-----------|----------|
| Increase | \$ 15.73 | Increase | \$ 26.58 |
| %Increase | 37.17% | %Increase | 62.81% |

WUGT

| | | | | | | | | | | | | | |
|-------------------|------------|------------------|------------|----------|------------|-----------|---------|---------------------------------|-------------------|----------|------------|-----------|--------|
| Test Year Revenue | \$ 207,705 | Proposed Revenue | \$ 886,054 | Increase | 678,348.20 | %Increase | 326.59% | Proposed Revenue (Consolidated) | <u>\$ 328,029</u> | Increase | \$ 120,324 | %Increase | 57.93% |
|-------------------|------------|------------------|------------|----------|------------|-----------|---------|---------------------------------|-------------------|----------|------------|-----------|--------|

Average Res Usage
8,000

| | | | | | |
|-------------------------------|-----------|--------------------------------|-----------|---|----------|
| Current Bill at average usage | \$ 40.36 | Proposed Bill at Average Usage | \$ 168.00 | Proposed Bill at Average Usage (Consolidated) | \$ 65.40 |
| Increase | \$ 127.64 | Increase | \$ 25.04 | | |
| %Increase | 316.25% | %Increase | 62.04% | | |

Total Proposed Revenue
\$ 7,119,134