



City of Phoenix
OFFICE OF THE CITY ATTORNEY

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ORIGINAL

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

HAND-DELIVERED

July 14, 2014

Arizona Corporation Commission
DOCKETED

JUL 14 2014

Arizona Corporation Commission
Docket Control
1200 West Washington Street
Phoenix, Arizona 85007-2927

DOCKETED BY

RE: Docket Nos. W-01303A-09-0343, SW-01303A-09-0343 and ~~W-01303A-10-0448~~

To Whom it May Concern:

The City of Phoenix ("Phoenix") is in receipt of the letter from Steven Olea dated July 8, 2014, as well as the proposed order of Commission Staff regarding EPCOR USA ("EPCOR"). Pursuant to the July 8 letter, Phoenix provides the following comments:

1. Phoenix and EPCOR (as successor in interest to Arizona-American Water Company and Citizens Water Resources Company of Arizona) are parties to a certain agreement, Anthem Wholesale Water/Wastewater Service Agreement ("Anthem Agreement"), dated September 22, 2000, for water, wastewater and water wheeling services outside of EPCOR's certificated district.

2. The relationship between Arizona-American (now EPCOR) and Phoenix has always been a purely contractual relationship. Phoenix is not, and never has been, a ratepayer in the original Anthem-Aqua Fria Water or Wastewater Districts, nor is it now a ratepayer in the deconsolidated Anthem District. The Commission has issued several orders that purport to include Phoenix as a "wholesale" water and wastewater customer and purport to establish water and wastewater rates applicable to Phoenix alone, but has no jurisdiction to do so.

3. Any proposed changes to "rates" applicable to EPCOR customers in a deconsolidated or subsequently reconsolidated water or wastewater district in the Anthem area are not applicable to Phoenix and Phoenix should not be considered part of EPCOR's rate base.

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In the event the Commission conducts a hearing to determine rates purportedly applicable to Phoenix, Phoenix reserves the right to raise the above referenced issues and provide additional factual and legal bases to support its comments.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Cynthia S. Campbell".

Cynthia S. Campbell
Assistant City Attorney

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