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BEFORE THE ARIZONA CORPORATION COMMISSION
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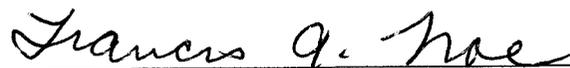
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IN THE MATTER OF THE APPLICATION)
OF ARIZONA-AMERICAN WATER)
COMPANY, AN ARIZONA)
CORPORATION, FOR A)
DETERMINATION OF THE CURRENT)
FAIR MARKET VALUE OF ITS UTILITY)
PLANT AND PROPERTY AND FOR)
INCREASES IN ITS RATES AND)
CHARGES BASE THEREON FOR)
UTILITY SERVICE BY ITS)
ATHEM/AGUA FRIA WASTEWATER)
DISTRICT, SUN CITY WASTEWATER)
DISTRICT, ANDF SUN CITY WEST)
WASTEWATER DISTRICT)
_____)

DOCKET Nos: SW-01303A-
09-0343
W-01303A-090343

The undersigned, Frances A. Noe, a resident of Cross River and a petitioner in these proceedings hereby files her attached direct testimony dated October 6, 2014.

RESPECTFULLY SUBMITTED this 6th day of October, 2014.



Frances A. Noe

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Sun City, AZ. 85373

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623-266-0490

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Utilities Division – Docket Control
1200 W. Washington Street
Phoenix, Arizona 85007

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**DIRECT TESTIMONY
OF
FRANCES A. NOE
ON BEHALF OF
CROSS RIVER HOMEOWNERS ASSOCIATION AND HERSELF
October 6, 2014**

Frances A. Noe testifies that:

The purpose of my testimony is to address our agreement with EPCOR's position for full consolidation of its wastewater systems as stated by Shawn Bradford and Sheryl L. Hubbard in their testimonies dated September 8, 2014.

The CUSTOMERS of the new Agua Fria Wastewater District have endured a 133+% increase granted on June 5th, 2012, by Decision 73227, which deconsolidated Anthem from the Anthem/Agua Fria Wastewater District. Reuniting with Anthem now will not address the problem and only kicks the can further down the road.

Cross River, a community of 1309 homes, has many retired residents on fixed incomes, handicapped adults and children, as well as young families struggling to make ends meet. The continuously rising wastewater costs have impacted our finances. These costs have become hardships for residents, since the wastewater bill is based on 100% of water usage up to 7,000 gallons (sewer volume charge) added to the sewer basic service (\$57.36). The high costs of our EPCOR bills have caused some residents to shut off water to their homes and haul/use outside water sources. Many young couples are putting off their plans to have children, while those with small children are bathing them together to save money. First time homebuyers are wishing they had never purchased a new home in our area because their EPCOR bills are exceeding their water bill budget by more than \$100.00 a month, and this is much higher than what their mortgage company had originally approved.

Our EPCOR bills are having a monumental impact on the value of our properties and costs passed on to us by our HOA for common areas fees. Our HOA fees were raised 20% in 2013 and will increase another 2 1/2% in 2015. Greenbelt grass areas where the children play are disappearing due to cut backs on watering. HOA common areas have been converted from grass to rock, costing the HOA many thousands of dollars. Residents in Cross River have removed their grass and various plants in an effort to use less water, hoping to lower their bills. However, conserving has done very little to lower water/wastewater bills due to three years of rate increases granted by the Commission.

My personal bucket list never included spending the year 2014, at age 61, working on a remedy for a critical wastewater crisis. Nor did I think I would be spending this much time and money fighting such a crisis regarding our wastewater rates. I contacted the Commission after observing conversations on our neighborhood Facebook page regarding our outrageous wastewater bills. I was told that the Commission did not reopen already decided rate cases and was advised to submit hand-written letters to the Commission. I asked how many complaints had been received by the Commission in the last 2 years. I was told very few. I found that extremely hard to believe, so I started the Epcor Project, a grassroots effort. MaryAnn Hughes (age 75) and Karen Proctor (age 68), both residents of Cross River, were the first to step-up and assist me. Consequently many residents helped with copies, supplying reams of paper, tirelessly collecting petitions at designated spots and going door to door. We constantly updated our social media page, keeping residents informed. This grassroots effort included designing comparison rate charts and the writing of 100 personal letters by the residents living in Cross River, Dos Rios and Coldwater Ranch communities. On February 25, 2014, Karen and I personally delivered to the Commission these letters. All these letters expressed a very personal nature of the hardships and financial stress that has been imposed on our residents due to the extremely high wastewater rates. Our petitions and letters urgently requested that the Commission bring this issue to the forefront for an immediate remedy. State Legislators, Representatives Lovas and Livingston and Senator Burges wrote a letter of support for a review of our rates to the Commission for their constituents in the northwest valley. Our neighbors to the west, Corte Bella, joined forces with another 2320 signatures on March 7, 2014, asking for an immediate investigation and review of their rates. 1,100 signed petitions, mostly from Cross River, Dos Rios and Coldwater Ranch, were delivered to the Commission on April 9, 2014, asking for deconsolidation. Diane Smith and Doug Edwards (Corte Bella) and I met with RUCO also on April 9, 2014. Mr. Mease and the three of us had a very long conversation at that time. Corte Bella hosted a meeting with EPCOR on April 16, 2014. On June 17, 2014, Karen and I delivered to the Commission a letter that was composed by Corte Bella and the two of us, it proposed options for interim relief. Karen and I also met with RUCO that day and had a lengthy conversation with Mr. Mease. During that conversation, Mr. Mease shared with us information regarding RUCO's community outreach endeavor. I asked him directly for RUCO to come to our communities of Cross River, Corte Bella, Dos Rios, and Coldwater Ranch. Mr. Mease replied that this only happens for open rate cases. RUCO has yet to meet with our communities. Behind the scenes, our EPCOR Project paperwork and charts have been delivered to elected officials as well as candidates, to the media, to anyone and everyone we could think of to help us with our wastewater crisis. Numerous phone calls and emails and meetings have occurred over the last 10 months, hoping for a solution to our predicament.

I have been a resident of Cross River since April 2006. My husband and I live in a home that has a very small lot size (approx. 5,500 sq. ft.) with mostly desert in the front and backyards. In 2006, our monthly Arizona-American bills were in the \$50.00 range. Our July 8th, 2014, EPCOR Agua Fria bill was \$168.18. Broken down: \$58.47 (water charges for 10,000 gallons), \$48.85 (sewer volume charge), and \$57.36 (sewer basic service charge) the remaining amount is small misc. fees and taxes.

EPCOR bill for Sun City comparable is \$40.92. Broken down: \$21.32 (water charges for 9,000 gallons), no sewer volume charge, and \$18.11 (wastewater treatment charge) the remaining amount is small misc. fees and taxes.

EPCOR bill for Sun City West comparable is \$50.92. Broken down: \$18.68 (water charges for up to 10,000 gallons), no sewer volume charge, and \$31.02 (wastewater treatment charges) the remaining amount is small misc. fees and taxes.

I have collected numerous wastewater bills from around Arizona and I can find no other district that is charged a sewer volume rate in addition to the basic sewer service charge other than Anthem and the Agua Fria districts. This practice is unfair and discriminatory.

This is not just an issue of financial hardships, it's also about equality and fairness for all EPCOR CUSTOMERS. I fully support consolidation where every EPCOR customer pays the same rate. Arizonans should be able to rely on safe, affordable, available water and should not experience 'severe sticker shock' for the ability to receive this necessary commodity of life. As such, Cross River, respectfully requests this Commission order a **FULL** consolidation of EPCOR's wastewater districts immediately and eliminate discriminatory and disparate practices.

The Arizona Constitution, article 15 section 12 states: ""No discrimination in charges, service, or facilities shall be made between persons or places for rendering a like and contemporaneous service."" Therefore, under the Arizona Constitution the Commission must vote for **FULL CONSOLIDATION** immediately. One Company, one district, **ONE RATE**.

This concludes my testimony.

Respectively submitted,



Frances A. Noe

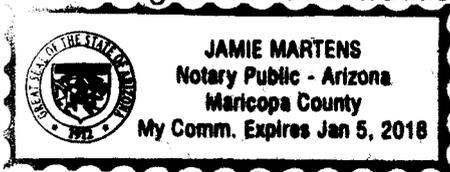
State of Arizona)

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County of Maricopa)

On this 5th day of October, 2014, before me personally
appeared Frances MOE (name of signer), whose

identity was proved to me on the basis of satisfactory evidence to be the person
whose name is subscribed to this document, and who acknowledged that he/she
signed the above/attached document.



(seal)

Jamie Martens
Notary Public