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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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ARIZONA CORPORATION COMMISSION
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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 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

Arizona Corporation Commission

DOCKETED

NOV 3 2014

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR 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.

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NOTICE OF FILING

SUR-REBUTTAL TESTIMONY

The undersigned, W.R. Hansen, President of Property Owners & Residents Assoc, and a petitioner in these proceedings hereby attaches sur-rebuttal testimony dated November 4, 2014.

Respectfully Submitted this 4th. day of November 2014

Pres. of Property Owners & Residents Assoc.

1 It is extremely disconcerting to note the number of times in which
2 EPCOR has been non-responsive to inquiries of the Commission staff.
3 Below I enumerate at least 9 instances in which pertinent data was
4 requested by staff and seemingly ignored, according to this record.
5 Which begs the question, how can you expect the Commissioners to
6 make an informed decision when they are being denied access to
7 relevant testimony.

8 In Staff Testimony, I offer the following examples of information
9 requests being ignored:

10 # 1. P. 4, line 7-8. EPCOR's claim of reduced Administrative &
11 Regulatory Expense have not been quantified. Yet that expression
12 is the main banner for EPCOR advancing the Consolidation plan.

13 # 2 P. 7, lines 19-25 Acknowledging that rates might be more
14 predicatable (though no body of evidence is advanced) disadvantages,
15 such as the 89% increase for Sun City while 3 other districts would
16 garner reductions ranging form 39% to 68% is left factually unexplain-
17 ed/ignored though it poses a serious flaw in the plan.

18 # 3 P. 8, lines 1-3 Coversely, EPCORS failed to quantify for Sun
19 City the net benefit (or detriment) as a result of a consolidated
20 district.

21 # 4 P. 9/10, lines 5-26 & 1 - 8 By mitigating a flat rate rate
22 design with no consideration for meter size or volumes, will extreme-
23 ly impact bills...thus customers with smaller meters will get larger
24 increases, while customers with larger meters will get larger de-
25 creases. THUS, YOU ARE TRIGGERING A CONDITION UNDER WHICH YOU WILL
26 BE REFLECING AN INCREASING GAP BETWEEN THE "COST CAUSER & COST PAYORS"
27 in a consolidated proposal. To ignore such damage is advancing
28 considerable peril.

1 #5,P.14,L. 9-12, Staff's request for a summary of shifts by system
2 of revenue stream not answered. This is CORE data and for it
3 to be ignored by EPCOR is unconscionable .

4 # 6 P 15.L. 16-19 Did EPCOR provide estimates of cost to de-
5 consolidate all systems, only Agua Fria.

6 # 7 P 16, L 19-26 Did Did staff obtain data regarding the
7 impact on Russell Ranch and pending improvements need there?
8 Unfortunately, the data was not available prior to filing of
9 direct testimony, nor are the speciifcs on its possible affiliation
10 with the newly formed NW. Reclamation District.

11 # 8 P. 17 Lines 12-13 Large investments needed in Mohave,
12 to produce effluent for the golf course...and accordingly Staff
13 requested additional information, but to no avail. Thus they
14 unable to make a recommendation. Yet Mohave would contribute only 2%

15 # 9 P/ 19 Lines Did EPCOR provide a cost benefit analysis for its
16 proposal of consolidation. The Company does not provide, nor
17 quantify the benefits or costs attached to any of the options.
18 All of these gapping holes in pertinent data & evidence is more
19 than alarming. It is proof positive that there is not sufficient
20 data or evidence to approve this radical proposal and the better
21 part of wisdom would be to reject it soon, postpone rate changes
22 for Agua Fria & Anthem, develop an in-depth analysis of the
23 Agua Fria high rate problem.

24 This contention is further supported by RUCO's notation that the
25 2008 revenue data is stale, with gross income increasing by over
26 \$7 Million since that time, and customer numbers swelling by 2,500.
27 See RUCO Testimony, Page 7, lines 18-20.
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1 Re: Statements from Corte Bella Country Club submitted by Doug Edwards
2 It is extremely disappointing that a party to this legal action would
3 engage in personal attacks of challenging the integrity of the party
4 to whom they are addressing their sur-rebuttal. On several occasions,
5 the author injected terms that specifically attacked the integrity of
6 my direct testimony, rather than expressing a contrary point of view.
7 These proceeding are not a political campaign, rather a highly respect-
8 ed Administrative Law Proceedings.

9 Further, in my presentations on the Consolidation issue, I've always
10 advocated- and continue to do so, that Corte Bella & the Agua Fria
11 District are deserving of a comprehensive analysis of their high rates.

12 The mailing address dilemma offered an opportunity to provide more
13 sunshine (contary to your assertion of "shading the facts,") to folks
14 unfamiliar with this unique situation so a fair assessment of the
15 number of signatories could be ascertained. I imposed no fault for
16 the predicament on the members of the Corte Bella Country Club, instead
17 stated it was in accord with U.S. Postal regulations, but confusing.

18 Likewise, to suggest that a proposal that imposes a nearly \$5 M.
19 annual rate increase on 2 communities while it proffers rate reduct-
20 tions (ranging from aprox. 39% to 68%) is not discriminatory strikes
21 one as a highly speculative conclusion.

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