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BEFORE THE ARIZONA CORPORATION COMMISSION

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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.

DOCKET NO. W-01303A-09-0343

ORIGINAL

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.

DOCKET NO. SW-01303A-09-0343

SURREBUTTAL TESTIMONY OF JENNA KOLLINGS

ON BEHALF OF THE ANTHEM COMMUNITY COUNCIL

Q1. PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.

A1. My name is Jenna Kollings. My business address is 3701 W. Anthem Way, Ste. #201, Anthem, Arizona 85086. I am the Community Executive Officer of the Anthem Community Council (the "Community Council" or "Anthem").

1 **Q2. ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

2 A2. I am appearing on behalf of the Community Council. The Community Council is
3 participating in this proceeding on behalf of over 8,800 Anthem community residents that are
4 water and wastewater customers of EPCOR ("EPCOR" or the "Company"), formerly the Arizona-
5 American Water Company ("AAWC").

6 **Q3. DID YOU PREVIOUSLY FILE DIRECT TESTIMONY IN THIS MATTER?**

7 A3. Yes, I did.

8 **Q4. WHAT IS THE PURPOSE OF YOUR ADDITIONAL TESTIMONY?**

9 A4. My testimony is intended to affirm Anthem's support for full consolidation of all of the
10 Company's wastewater districts in Arizona. However, if the Commission does not wish to
11 implement full consolidation at this time, I want to emphasize the importance of honoring the
12 Settlement Agreement adopted by the Commission and negotiated among the Company, Anthem,
13 RUCO, and Staff in any interim solution selected by the Commission.

14 **Q5. DOES ANTHEM STILL SUPPORT FULL CONSOLIDATION?**

15 A5. Yes. After reviewing all direct testimonies filed in this phase of the proceeding and the
16 Company's rebuttal testimony, Anthem continues to believe that full consolidation is the best
17 approach to fully and finally solve the issue of disparate wastewater rates among EPCOR's
18 wastewater districts.

19 **Q6. IF THE COMMISSION DOES NOT ORDER CONSOLIDATION, DOES ANTHEM**
20 **PREFER ANY ALTERNATE SCENARIO?**

21 A6. Yes, if the Commission elects not to consolidate all EPCOR wastewater districts at this
22 time, Anthem prefers the interim scenario described briefly by Anthem witness Neidlinger and by
23 Staff witness Becker (as option five) which would result in the Commission issuing an accounting
24 order to allow Step 3 of deconsolidated rates to be implemented for Anthem but not yet for Agua
25 Fria. This approach would allow Anthem to receive the full benefit of the Settlement Agreement
26 while allowing some relief for Agua Fria customers. In the words of Commissioner Pierce in the
27 Open Meeting on July 22, 2014: "We really did make a deal with Anthem and we have to find a
28 way to honor that."

1 In that regard, it is important that the Commission keep in mind that (i) during the
2 December 15, 2010 Open Meeting any and all parties who were then involved in these proceedings
3 were encouraged by the Commission to reach an agreement on a variety of different disputed
4 issues, (ii) every party now in this case had previously received notice of the possibility of
5 impending rate changes, and, (iii) as a consequence, had previously had the opportunity to
6 participate in the underlying rate case and therefore in the settlement negotiations which
7 subsequently occurred on December 15, 2010. Many consciously chose not to intervene. Anthem
8 wastewater customers should not be prevented from now realizing the benefit of the Settlement
9 Agreement urged and adopted by the Commission in Decision No. 72047 because some other
10 parties chose not to get involved.

11 If the Commission does not implement full consolidation at this time, Anthem wants the
12 Settlement Agreement to be honored as to Anthem without further delay, as described under Mr.
13 Neidlinger's interim scenario and Mr. Becker's Option Five.

14 **Q7. DOES THAT CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

15 A7. Yes, it does.

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18 ORIGINAL AND THIRTEEN (13) COPIES
19 of the foregoing HAND-DELIVERED
20 for FILING this 4th day of November, 2014 to:

21 Docket Control
22 Arizona Corporation Commission
23 1200 W. Washington Street
24 Phoenix, AZ 85007

25 and COPY of the foregoing mailed or e-mailed
26 this 4th day of November, 2014, to:

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28 Director, Utilities Division
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21 By _____
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