

OPEN MEETING AGENDA ITEM



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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION
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IN THE MATTER OF THE APPLICATION OF
CHAPARRAL CITY WATER COMPANY FOR
A DETERMINATION OF THE CURRENT
FAIR VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASE IN ITS
RATES AND CHARGES BASED THEREON.

Docket No. W-02113A-13-0118

COMMENTS OF THE RESIDENTIAL UTILITY CONSUMER OFFICE

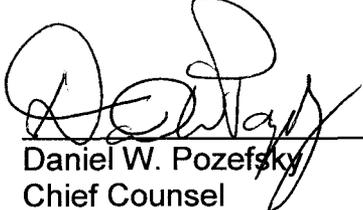
Based on the circumstances of this case, RUCO does not take exception to Staff's Phase II Recommended Opinion and Order ("ROO").

RUCO would note however, that under the proposed SIB, the average residential ratepayer will see an increase of as much as \$1.72 or 3.8 percent per year for a cumulative total of \$8.58 or 18.8 percent prior to the Company's next rate case. The SIB increase exceeds the average rate increase of \$7.68 as was approved by the Commission in the rate case. Stated simply, this type of rate gradualism is not a benefit to the ratepayer, because it is doubtful that under any circumstance the Commission would ever approve in the next rate case such a large increase in such a short period of time.

RUCO's position on the ROO, however, is not to be interpreted as agreement with the ROO's underlying legal analysis, approval of the SIB in any future rate case, or agreement in any manner to a cost of capital in a future rate case. Simply stated, RUCO's

1 position relates to this case and the circumstances of this case and RUCO reserves its right
2 to make any legal or other argument in the future as it relates to the SIB, the cost of capital
3 and any other rate case element at issue without establishing any precedent and/or policy in
4 this case.

5 RESPECTFULLY SUBMITTED this 5th day of December, 2014.

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9 Daniel W. Pozefsky
Chief Counsel

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11 AN ORIGINAL AND THIRTEEN COPIES
12 of the foregoing filed this 5th day
of December, 2014 with:

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