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BEFORE THE ARIZONA CORPORATION COMMISSION

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8 DOUG LITTLE
Commissioner

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10 TOM FORESE
Commissioner

201 E. Washington St., Suite 1230
Phoenix, AZ 85004 2595

LEWIS ROGA
ROTHGERBER

11 IN THE MATTER OF THE
12 APPLICATION OF ARIZONA-
13 AMERICAN WATER COMPANY, AN
14 ARIZONA CORPORATION, FOR A
15 DETERMINATION OF THE CURRENT
16 FAIR VALUE OF ITS UTILITY PLANT
17 AND PROPERTY AND FOR
18 INCREASES IN ITS RATES AND
19 CHARGES BASED THEREON FOR
20 UTILITY SERVICE BY ITS
21 ANTHEM/AGUA FRIA
22 WASTEWATER DISTRICT, SUN CITY
23 WASTEWATER DISTRICT, AND SUN
24 CITY WEST WASTEWATER
25 DISTRICT
26

DOCKET NOS. SW-01303A-09-0343
W-01303A-09-0343

Sun City West take exception to the edict of March 26, 2015 by EPCOR and in concert with Staff for a study of just 7 separate areas by combining Sun City West & Corte Bella area. In so doing, it robs the Corte Bella complaintants of their answer to high rates, while averaging two highly diverse districts to satisfy an intractible criteria.

1 Exception is taken to the March 26, 2015 filing by EPCOR, per guidance
2 by Staff. By its very design, it turns a blind eye on the precise
3 genesis of the case in point: to study and detect factors causing
4 Corta Bella & immediate surrounding developments to have the highest
5 rate among the 5 district within the EPCOR system. Predicated on the
6 supposition of that quest, it becomes a conspicuous contradiction
7 to forge forward with a study that portends to respond to the custom-
8 er complaints over excessively high rates-as evidenced by the filing
9 of 3,520 commulative petitions over 3 separate periods of time, and
10 most noteworthy, under the guidance of all three state legislators
11 from Legislative District # 22, who shared their objections.

12 The Finding of Facts filed on July 30, 2014, relates to 100 petitions
13 from Cross River, Dos Rios, & Coldwater Ranch-along with a query from
14 the 3 Legislators of District # 22, challenging why rates in the
15 Corte Bella vicinity were nearly \$100.00 higher than some others in
16 this EPCOR District. A second barrage of 2,320 petitions from Corte
17 Bella proper while a 3rd rendition of 1,100 petitions from Corte
18 Bella, Cross River, Dos Rios & Coldwater Ranch were deposited on 4/9
19 2014.

20 The Commissioners & Staff were alarmingly motivated by the "signifi-
21 cant number of customer complaints and petitions concerning EPCOR's
22 Aqua Fria District rates and charges for water & wastewater." From
23 this focused concern over the high rates in Corte Bella & adjacent
24 area- the seeds were sown for current rate case study to respond with
25 specificity to written complaints and objections that had been been
26 brought forward in such significant numbers.

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1 What an anomaly that the summary edict of March 26,2015 unveils
2 a rate making process involving seven individualistic components of
3 the EPCOR Company to the exclusion of the separate Corte Bella immed-
4 iate area, and thereby dissimulates any hopes of studying the specific
5 costs of the precise area that triggered the customer complaints
6 accompanied by over 3,530 objection petitions.

7 On first brush, it can be construed as turning a deaf ear on the
8 3,530 complaintants while redirecting investigative motion over
9 uncontested problems. Proping up the diversionary intractable doctrine
10 that we will study only separate plant installations, no matter that
11 they serve more than one district, vary widely in customer base
12 numbers, coupled with numerous other variances that have considerable
13 cost implications relating to the rate being charged. By creating a
14 a shot gun wedding between Sun City West & Corte Bella for the alleged
15 purpose of this study smacks more of lame logic than intellectual
16 discovery.

17 A casual review of the uncommon characteristics overwhelmingly
18 supports the rationale for studying them separately.

19 Perhaps also unknown to some of the decision makers are the unique
20 aspects of how the N.W. Plant was originally built in 1980 by & for
21 exclusive use by Sun City West, and expanded in 1994 to accomodate
22 the Sun City West "Expansion District. Subsequently, in 2004, when
23 Corte Bella was establishing itself as a new community for a maximum
24 home capacity of 1,650 units, which would have required only a 25%
25 expansion in the N.W. Plant to accomodate it, a decision was made by
26 Arizona American to increase Plant size by 66 2/3rds: %, illustrating
27 that nearly 40% of the increase was real estate speculative, and
28 significantly for an area North of Corta Bella-Outside of the Agua

1 Fria District.

2 Given the historical and factual realities, to impose a common
3 plant facility upon 3 separate community areas is inappropriate and
4 unrealistic simply because you've designated "plant" as the common
5 denominator-which in this case it clearly is NOT. While "Plant" may be
6 a common denominator with the 6 other community single purpose plants,
7 in the instant case- its function, design, 3 different construction
8 dates & purposes, different main connection points since the plant is
9 not located in either community, together with many of the non-plant
10 characteristics be quite diverse, it is obvious it does not fit the
11 common criteria. In essence, you are trying to to compare 6 apples,
12 one orange, and one grapefruit on the strength of saying,"that's the
13 common criteria when we've just illustrated it isn't. In the process,
14 you have skewered the comparison for they have an uncommon basis, and
15 turned a deaf ear and blind eye on your original mission of this case.

16 Unwittingly, by combining expense factors and demographics in Corta
17 Bella and Sun City West you've obliterated any resolution of the dis-
18 covery factors relating to the egregious and excessively high rate of
19 Corte Bella, especially when you average them into the 2nd. lowest
20 rate factor of Sun City West. This is nothing more than a second
21 invitation to the 3,500 rate complaintants who were assured that you
22 would address their problem, to come back on the Commissioners and
23 ask why their problem pursuit was circumvented?

24 It strike us that the better part of wisdom is to consider Corta
25 Bella & Sun City West separately to fulfill your original mission
26 while making comparison analysis equitable and meaningful.

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RESPECTFULLY SUBMITTED this 22nd. of May 2015

By: *W.R. Hansen*
W.R. Hansen, President of PORA

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ORIGINAL and thirteen (13) copies
of the foregoing filed this 22nd. day
of May, 2015, with:

DOCKET CONTROL
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COPY of the foregoing mailed/delivered
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