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**ORIGINAL** BEFORE THE ARIZONA CORPORATION COMMISSION

- 2 DOUG LITTLE  
CHAIRMAN
- 3 BOB STUMP  
COMMISSIONER
- 4 BOB BURNS  
COMMISSIONER
- 5 TOM FORESE  
COMMISSIONER
- 6 ANDY TOBIN  
COMMISSIONER

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AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
Investigation into Potential Improvements to  
its Water Policies

Docket No. W-00000C-16-0151

Arizona Corporation Commission  
**DOCKETED**

MAY 27 2016

**PUBLIC COMMENT**

**A RATEPAYER PERSPECTIVE**

DOCKETED BY

The primary responsibility of the Commission is to ensure safe, reliable, adequate, and reasonably priced utility service to ratepayers and maintain financially healthy utility companies.

For almost two decades the effort to consolidate the disjointed fragmented water/wastewater systems has gone without resolution. It is refreshing that Chairman Little and his Commissioners have elected to vigorously work toward resolution of solving the statewide problem of these small, fragmented borderline companies.

This docket and the subsequent presentations given on May 19, 2016 by a number of parties, prove testament to continuation of the effort.

The initial Policy Statements one through five (1-5) as initiated by the Commissioners are a good starting point. Of course, the development of a more strategic roadmap and action plan will need to be developed. A joint effort including the

1 Commissioners, ACC Staff, RUCO, Large and Small Utility, Developer and Legislative  
2 representation would seem appropriate and necessary to move toward a successful  
3 solution.

4 At this point in the conversation, the main target seems to be an attempt to  
5 consolidate the Arizona water and wastewater industry by promoting the acquisition of the  
6 numerous small, underperforming companies throughout the state, currently under the  
7 control of the Commission, by the larger more stable companies in the state. This along  
8 with possible municipal and other consolidation type efforts make sense.

9 In the short-term, acquisitions and consolidations are generally detailed,  
10 comprehensive in nature, technical and expensive to one degree or another, for all parties  
11 concerned. However, if done correctly, the long-term paybacks are well worth the initial  
12 pain, particularly with the advent of likely escalating costs in the water and wastewater  
13 utility arena throughout the state. It is not to say that such efforts will be easy, particularly  
14 when it will likely be necessary to keep "cost causer" principles intact.

15 A concerted bilateral effort will be needed by all affected player types to effect a  
16 suitable long term solution. It would not suffice, for example, to put a consolidation  
17 program together while still allowing further development of outlier communities being  
18 serviced by small companies lacking economies of scale historically proven to be lacking  
19 in the ability to provide continued safe, reliable, adequate, and reasonably priced utility  
20 service to their ratepayers.

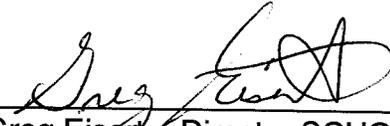
21 Good start – Let's not come up short again.

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1 RESPECTFULLY SUBMITTED this 26 day of May, 2016.

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4 \_\_\_\_\_  
5 Greg Eisen - Director SCHOA

6  
7 AN ORIGINAL AND THIRTEEN COPIES  
8 of the foregoing filed this 26 day  
9 of May, 2016 with:

10 Docket Control  
11 Arizona Corporation Commission  
12 1200 West Washington  
13 Phoenix, Arizona 85007

14 COPIES of the foregoing hand delivered/  
15 mailed/emailed this 26 day of May, 2016 to:

16 Arizona Corporation Commission  
17 Janice Alward  
18 1200 W. Washington  
19 Phoenix, Arizona 85007

20 Arizona Corporation Commission  
21 Thomas Broderick  
22 1200 W. Washington St.  
23 Phoenix, Arizona 85007

24 Arizona Corporation Commission  
Dwight Nodes  
1200 W. Washington  
Phoenix, Arizona 85007-2927

By: Carole Studdard