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ORIGINAL Arizona Corporation Commission
Utilities Complaint Form

Investigator: Jenny Gomez Phone: <<< REDACTED >>> Opinion Date: 7/1/2016
Opinion Number: 2016 - 132726 Priority: Respond within 5 business days
Opinion Codes: Rate Case Items - Consolidation In Favor Closed Date: 7/1/2016 11:00 AM

First Name: Michael Last Name: Rospierski Account Name: Michael Rospierski
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Arizona Corporation Commission
DOCKETED

JUL 5 2016

Company: EPCOR Sewer *AAWC Division: Sewer

Nature Of Opinion

DOCKETED BY *fg*

Docket Number: WS-01303A-16-0145

Docket Position: For

Dear Sirs, I am a resident of Verrado in Buckeye and a customer of EPCOR. I am writing to strongly encourage you to decide in FAVOR of FULL CONSOLIDATION in the rate case referenced above. Opponents of consolidation say their infrastructure is already paid for. But no infrastructure is ever paid in full. It has continuing value and requires continuing capital to maintain essential service. Opponents also say they shouldn't be forced to subsidize new communities. They would not. In fact, across many categories, EPCOR's expenses are allocated to Sun City customers at a significantly reduced rate, per capita. It is the unused capacity of certain facilities, intended for future growth, that makes these districts over-priced. That's not customers causing the cost, it's the company's investment in the future. Those burdens should have always been shouldered equally by all customers as a cost of doing business. Opponents say that consolidation has been rejected. But consolidated pricing is the standard practice in Agua Fria and has been through multiple expansions for almost 15 years, all without objection by the Commission or any other party. The truth is, those opposed to consolidation have not made their case based on the facts, but rather this simple universal truth: nobody wants their bill to go up. This is understandable, but not, in itself, justification for a policy decision by state regulators. Sun City objects to a potential increase of \$20, but Agua Fria customers have been made to absorb \$50 fluctuations in previous decisions, and are currently paying at 180% of the market rate for wastewater service. We are all on fixed incomes, when it comes down to it. Previous Commissions failed to address this issue in 2001, when Arizona American first acquired Citizens Water companies. The moment those different subsidiary companies were consolidated under one corporate umbrella, they ceased to be separate rate bases and became customer classes. The Arizona Constitution forbids customer classes (rates) being based solely on location. This oversight, along with subsequent decisions, have created friction, frustration, and hardship for more than 10 years. It must be resolved. We are sensitive to the needs of those whose bills would increase, and are open to gradually implementing the change. But schedules, rating factors, and discounts should begin with a consolidated, universal rate. That means FULL CONSOLIDATION for all EPCOR wastewater customers. Thank you for your kind attention to this matter. We look forward to seeing all parties progress toward a solution in the coming months

Investigation

Date: 7/1/2016 Analyst: Jenny Gomez Submitted By: Telephone

Type: AZ CORP COMMISSION DOCKET CONTROL Investigation

Noted and filed for the record in Docket Control.

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