

**PUBLIC NOTICE OF HEARING AND PUBLIC COMMENT MEETINGS ON EPCOR WATER ARIZONA, INC.'S APPLICATION TO SET RATES AND CHARGES FOR WASTEWATER UTILITY SERVICE IN ITS ARIZONA WASTEWATER AND LUKE 303 WASTEWATER DISTRICTS, RIO VERDE UTILITIES, INC.'S APPLICATION TO SET RATES AND CHARGES FOR WATER AND WASTEWATER UTILITY SERVICE, AND FOR CONSIDERATION OF WASTEWATER CONSOLIDATION PROPOSALS.**

**(DOCKET NOS. WS-01303A-22-0236 AND WS-02156A-22-0237)**

**SUMMARY**

On August 31, 2022, EPCOR Water Arizona, Inc. ("EPCOR") and Rio Verde Utilities, Inc. ("Rio Verde") filed with the Arizona Corporation Commission ("Commission") application requesting adjustments to their rates and charges for utility service in EPCOR's Arizona and Luke 303 Wastewater Districts and for Rio Verde's water and wastewater services.

EPCOR asserts that for the test year ending December 31, 2021 ("TY"), EPCOR's Arizona Wastewater District had adjusted operating income of \$4,145,028 and a fair value rate base ("FVRB"), resulting in a rate of return of 3.32 percent. EPCOR asserts that its Luke 303 Wastewater District TY adjusted operating loss was \$727,802 on FVRB of \$18,043,022, resulting in a rate of return of negative 4.03 percent. EPCOR proposes rates and charges that would produce an overall revenue increase of \$3,455,831 or approximately 9.57 percent, to produce a 5.37 percent rate of return on EPCOR's FVRB for its Arizona Wastewater District. EPCOR proposes rates and charges that would produce an overall revenue increase of \$2,843,633 or approximately 140 percent, to produce a 7.66 percent rate of return on EPCOR's FVRB for its Luke 303 Wastewater District.

Rio Verde asserts that its Water Division had TY adjusted operating income of \$18,809 on FVRB of \$6,695,042, resulting in a rate of return of 0.28 percent. Rio Verde asserts that its Wastewater Division TY operating loss was \$151,678 on FVRB of \$7,751,503, resulting in a rate of return of negative 1.96 percent. Rio Verde proposes water rates and charges that would produce an overall revenue increase of \$493,228 or approximately 23.68 percent, to produce a 5.76 percent rate of return on Rio Verde's FVRB for its Water Division. Rio Verde proposes wastewater rates and charges that would produce an overall revenue increase of \$857,048 or approximately 41.67 percent, to produce a 6.25 percent rate of return on Rio Verde's FVRB for its Wastewater Division.

Additionally, EPCOR and Rio Verde propose consolidation of EPCOR's Arizona and Luke 303 Wastewater Districts with Rio Verde's Wastewater Division.

EPCOR's and Rio Verde's proposed rates and charges, without surcharges, would result in the following monthly bills for a Rio Verde residential water customer served by a 1" meter with monthly usage of 7,000 gallons, and the following monthly flat residential wastewater bills for a Rio Verde, Arizona, and Luke 303 wastewater customer:

**Proposed Standalone Rates**

Service Area	Current Rates	Proposed Rates (excluding surcharges)
Arizona Wastewater	\$38.59	\$42.41
Luke 303 Wastewater	\$60.00	\$210.00
Rio Verde Wastewater	\$63.95	\$88.89
Rio Verde Water	\$25.74	\$35.97

In the alternative to standalone rates, EPCOR and Rio Verde also propose consolidation of EPCOR's Arizona and Luke 303 Wastewater Districts with Rio Verde's Wastewater Division into a single Sonoran Wastewater District.

The proposed rates and charges under the consolidation proposal, without surcharges, would result in the following monthly bills for a residential customer served by a 5/8" x 3/4" meter by current service area.

**Proposed Consolidated Rates**

Service Area	Current Rates	Proposed Rates (excluding surcharges)
Arizona Wastewater	\$38.59	\$46.31
Luke 303 Wastewater	\$60.00	\$46.31
Rio Verde Wastewater	\$63.95	\$46.31

**NEITHER THE COMMISSION'S UTILITIES DIVISION ("STAFF") NOR ANY INTERVENOR HAS YET MADE ANY RECOMMENDATION REGARDING EPCOR'S AND RIO VERDE'S APPLICATIONS. THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF COMPANY, STAFF, OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED IN RESPONSE TO THE APPLICATIONS BASED ON THE EVIDENCE PRESENTED IN THIS MATTER. THE FINAL RATES APPROVED BY THE COMMISSION MAY BE HIGHER, LOWER, OR DIFFERENT THAN THE RATES PROPOSED BY EPCOR AND RIO VERDE OR BY OTHER PARTIES.**

If you have any questions concerning how the Application may affect your bill or other substantive questions about the Application, you may contact EPCOR or Rio Verde at: **EPCOR, 2355 W Pinnacle Peak Road, Suite 300, Phoenix, Arizona 85027, 1-800-383-0834 or [ratecasequestions@epcor.com](mailto:ratecasequestions@epcor.com).**

**How You Can View or Obtain a Copy of the Application**

Copies of the Application are available from EPCOR and Rio Verde online at [epcor.com/ratereview](http://epcor.com/ratereview); at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, and 400 West Congress Street, Suite 218, Tucson, Arizona, during regular business hours; and on the Commission website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function.

**Public Comment Meetings at Commission Offices**

The Commission will hold the following public comment meetings in this matter **at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona 85007:**

DATE	TIME	MANNER
<b>Monday, March 27, 2023</b>	<b>6:00 p.m. - 8:00 p.m., or until all public comment has been heard, whichever comes first.</b>	<b>Telephonic only: To provide telephonic public comments, call 1-866-705-2554 and enter this code: 6532467#</b>
<b>Monday, April 17, 2023</b>	<b>10:00 a.m. - 12:00 p.m., or until all public comment has been heard, whichever comes first.</b>	<b>In-person and telephonic: Please note that there is a maximum of 50 persons permitted in Hearing Room 1. To provide telephonic public comments, call 1-866-705-2554 and enter this code: 6532467#</b>
<b>Monday, May 15, 2023</b>	<b>6:00 p.m. - 8:00 p.m., or until all public comment has been heard, whichever comes first.</b>	<b>Telephonic only: To provide telephonic public comments, call 1-866-705-2554 and enter this code: 6532467#</b>

During public comment meetings at the Commission's offices, **both telephonic and in-person** public comment may be provided.

To provide telephonic public comments, call **1-866-705-2554**, and enter participant no. **6532467#**.

If you plan to attend a public comment meeting held at the Commission's Phoenix offices **in person**, please complete a **"Request to Speak"** on one of the kiosks in the lobby at the Commission's Phoenix office or on any computer or mobile device through the ACC Portal (available on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using "Cases and Open Meetings" and "Request to Speak at Open Meetings").

**Written public comments** may be submitted by mailing a letter referencing **Docket Nos. WS-01303A-22-0236 and WS-02156A-22-0237** to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using "Cases and Open Meetings" and "Make a Public Comment in a Docket." If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

The Commission will impose a **3-minute time limit per speaker** to ensure that everyone who desires to speak has an opportunity to do so.

**Commission Public Hearing Information**

The Commission will hold a hearing on this matter beginning **June 5, 2023, at 10:00 a.m.**, at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona 85007.

**If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this docket unless you sign up to Follow the Docket. However, all documents filed in this docket are available online** (usually within 24 hours after docketing) at the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function. **Information on how to Follow a Docket is available on the Commission's website using "Cases and Open Meetings" and "Follow a Docket or Document Type."**

**About Intervention**

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person's intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties' witnesses.

**Intervention is not required for you to appear at the hearing and provide public comment, to file written comments in the record of the case, or to receive written notices of each filing made in the case by following the docket.**

**Information about what intervention means, including an explanation of the rights and responsibilities**

**of an intervenor, is available on the Commission's website ([www.azcc.gov](http://www.azcc.gov))** by clicking on **"Cases and Open Meetings"** and then clicking on **"Intervene in a Case."** The information includes a Sample Intervention Request and a Fillable Intervention Request Form.

To request intervention, you must file a written request to intervene, either (a) by filing a hard copy request (meeting filing requirements) with Docket Control (Docket Control, 1200 West Washington, Phoenix, AZ 85007), or (b) by **eFiling** the request. Your request **must be filed or eFiled no later than March 17, 2023**. Instructions and restrictions for eFiling are available on the Commission's website at **<http://azcc.gov/hearing/efile-for-utilities-instruction>**. You also **must** serve a copy of the request to intervene on each party of record, on the same day that you file the request to intervene with the Commission.

Your request to intervene **must** contain the information below:

- Your name, address, and telephone number;
- The docket number for the case in which you are requesting to intervene;
- A short statement explaining:
  - Your interest in the proceeding (e.g., a customer of the regulated company involved, a property owner in an area to be affected by the case, etc.);
  - How you will be directly and substantially affected by the outcome of the case, and
  - Why your intervention will not unduly broaden the issues in the case;
- A statement certifying that you have sent a copy of your request to intervene to the regulated company or its attorney and to all other parties of record in the case; and
- If you are not represented by an attorney who is an active member of the Arizona State Bar, and you are not representing yourself as an individual, sufficient information and any appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31.1, 31.2, 31.3, 38, 39, and 42, as applicable. This only applies if you are NOT representing yourself and you are not a licensed attorney.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that **all motions to intervene must be filed on or before March 17, 2023.**

**ADA/Equal Access Information**

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Carolyn Buck, e-mail [ADACoordinator@azcc.gov](mailto:ADACoordinator@azcc.gov), voice phone number 602-542-2247. Requests should be made as early as possible and no later than 48 hours in advance of the event to allow time to arrange the accommodation.