

**PUBLIC NOTICE OF HEARING ON EPCOR WATER ARIZONA INC.'S  
APPLICATION FOR INCREASES IN THE RATES AND CHARGES FOR WATER AND  
WASTEWATER UTILITY SERVICE PROVIDED BY THE SAN TAN WATER AND  
WASTEWATER DISTRICTS, AND FOR RELATED APPROVALS.  
(DOCKET NO. WS-01303A-24-0130)**

**SUMMARY**

On June 26, 2024, EPCOR Water Arizona, Inc. (“EPCOR”) filed with the Arizona Corporation Commission (“Commission”) a rate application for increases in the rates and charges for water and wastewater utility service provided by the San Tan Water and Wastewater Districts, and for related approvals.

In its application, EPCOR reports the following results for the test year ending December 31, 2023 (“TY”):

|                                  | San Tan Water District | San Tan Wastewater District |
|----------------------------------|------------------------|-----------------------------|
| Adjusted Operating Income/Loss   | \$741,905              | (\$1,222,742)               |
| Original Cost Rate Base (“OCRB”) | \$27,133,401           | \$119,030,850               |
| Fair Value Rate Base (“FVRB”)    | \$33,451,647           | \$139,088,807               |
| Rate of Return on FVRB           | 2.22%                  | (0.88%)                     |

EPCOR proposes rates and charges that would produce the following overall annual gross revenue increases and returns on FVRB:

|                                  | San Tan Water District | San Tan Wastewater District |
|----------------------------------|------------------------|-----------------------------|
| Annual \$ Gross Revenue Increase | \$1,959,102            | \$14,587,691                |
| Annual % Gross Revenue Increase  | 11.95%                 | 50.83%                      |
| Rate of Return on FVRB           | 6.54%                  | 6.86%                       |

EPCOR proposes the following overall revenue increase levels for the different San Tan Water District customer classes:

| Water District Customer Class          | Proposed Increase |
|--|-------------------|
| Residential                            | 11.29%            |
| Commercial, 3/4” through 2” Meters     | 24.75%            |
| Large Commercial, 3” through 6” Meters | 16.64%            |
| Other Public Authority (“OPA”) Water   | 17.54%            |
| Construction Water                     | 20.75%            |
| Irrigation Water                       | 11.40%            |

EPCOR’s proposed rates and charges, not including any approved surcharge or adjustor, would result in the following monthly bill increase for a residential water customer served by a 3/4” meter and with average monthly usage of 6,057 gallons:

| San Tan Water District |                       |                    |
|------------------------|-----------------------|--------------------|
| Current Monthly Bill   | Proposed Monthly Bill | Bill Increase      |
| \$26.93                | \$30.54               | \$3.61             |
|                        |                       | % Increase: 13.42% |

EPCOR proposes the following overall revenue increase levels for the different San Tan Wastewater District customer classes:

| Wastewater District Customer Class/es              | Proposed Increase |
|--|-------------------|
| Residential, Commercial, Large Commercial, and OPA | 51.94%            |
| Effluent   | 53.84%            |

EPCOR’s proposed rates and charges would result in the following monthly bill increase for a typical residential wastewater customer served water by a 3/4” meter:

| San Tan Wastewater District |                       |                    |
|-----------------------------|-----------------------|--------------------|
| Current Monthly Bill        | Proposed Monthly Bill | Bill Increase      |
| \$46.30                     | \$70.35               | \$24.05            |
|                             |                       | % Increase: 51.94% |

In addition to the above, for both the San Tan Water and Wastewater Districts, EPCOR requests approval of a flat rate case expense surcharge to collect \$425,000 over three years and a new Power Cost Adjustor Mechanism.

For the San Tan Water District, EPCOR also requests approval to defer tank maintenance expenses and to revise its miscellaneous service charges, service line and meter installation charges, curtailment tariff, cross-connection and/or backflow tariff, Off-Site Facilities Hook Up Fee Tariff, and "Other" Tariff (water main extensions and permitted costs). Among the tariff language changes, EPCOR proposes to clarify that it is not obligated to provide construction water service and has discretion whether to provide such service. EPCOR also proposes to adopt new requirements in the Hook-Up Fee Tariff related to any large water user development (using more than 1,700 gallons per day per acre ("gpd/acre")), which would require the large water user to provide an additional renewable water supply source to meet the demands of the development that are greater than 1,700 gpd/acre.

For the San Tan Wastewater District, EPCOR also requests approval to increase its effluent tariff rate and to revise its miscellaneous service charges, service line connection charges, Off-Site Facilities Hook Up Fee Tariff, and "Other" Tariff (sewer collection main extensions and permitted costs).

**NEITHER THE COMMISSION'S UTILITIES DIVISION ("STAFF") NOR ANY INTERVENOR HAS YET MADE ANY RECOMMENDATION REGARDING EPCOR'S APPLICATION. THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF EPCOR, STAFF, OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED IN RESPONSE TO EPCOR'S APPLICATION 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 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 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 online at [www.epcor.com](http://www.epcor.com); at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, and the Commission's office at 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 and the Docket Number shown above.

### **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  |
|-------------------|---|
| February 13, 2025 | <b>10:00 a.m.</b> to 12:30 p.m., or until the last caller is finished speaking, whichever comes first |
| February 13, 2025 | <b>6:00 p.m.</b> to 8:30 p.m., or until the last caller is finished speaking, whichever comes first   |

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 1-877-309-3457 and enter passcode 801972877##.

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.

### **Arizona Corporation Commission Public Hearing Information**

The Commission will hold a hearing on this matter beginning **March 31, 2025, at 10:00 a.m.**, at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona 85007.

A public comment meeting will be held at the beginning of the first day of hearing, and comment may be provided in person or telephonically. To provide telephonic public comments, call 1-877-309-3457 and enter passcode 801972877##.

**Written public comments** may be submitted by mailing a letter referencing **Docket No. WS-01303A-24-0130** 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.

**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 by clicking on "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 docket for the case, or to receive emailed notice 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 October 1, 2024.** 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:

1. Your name, address, and telephone number;
2. The docket number for the case in which you are requesting to intervene;
3. A short statement explaining:
  - a. 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.),
  - b. How you will be directly and substantially affected by the outcome of the case, and
  - c. Why your intervention will not unduly broaden the issues in the case;
4. 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
5. 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 **October 1, 2024.**

### **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.



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# INFORMATION ABOUT YOUR SERVICE