



COMMISSION NEWS

Arizona Corporation Commission

Public Information Office

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May 2, 2007

ACC ANNOUNCES ANTHEM RATE CASE PUBLIC COMMENT SESSION

PHOENIX – In preparation for an evidentiary hearing set for the Arizona-American Water and Wastewater rate case on May 29, 2007, the Arizona Corporation Commission is scheduling a public comment session for Anthem customers. Arizona-American Water Company has asked the Commission to approve water and sewer rate increases for its Anthem area customers.

The company contends that the costs of maintaining, operating and testing its water and wastewater systems have increased and it is seeking Commission approval to raise rates. The Anthem system's last rate case was in June 2004.

Public Comment for customers of the Anthem System

Docket #WS-01303A-06-0403

Thursday, May 24 at 6:00 p.m.

Boulder Creek High School Auditorium
40404 North Gavilan Peak Parkway
Anthem, AZ

Water rates vary based on the quantity of water used by the customer as well as the size of the water meter. The company's current rates average \$28.06 for a customer with a 5/8" meter using approximately 9,000 gallons of water per month. Arizona-American has proposed to increase the average bill by \$19.55 to \$47.61.

The Commission's Utilities Division staff performed its own analysis after auditing records and assessing whether certain costs should be recovered and, if so, to what extent and over what period of time. The Commission staff's recommendation would result in an increase of \$7.24

over current average bills, bringing the average bill to \$35.30 for a customer using 9,000 gallons on a 5/8" meter.

Wastewater rates also vary but are based on the amount of water used by the customer, recognizing that a certain portion of that water goes down the drain and needs to be treated. The average customer today pays approximately \$38.12. Arizona-American proposed to increase the average bill \$19.74 to \$57.85. The Commission staff's analysis would result in an increase of approximately \$9.77, bringing the average bill from \$38.12 to \$47.89.

The effect of the requested increase on individual customers' bills may vary from the effect on an average customer's bill. Customers may contact the Company to inquire further about the effect on their individual bill if the Company's request is granted.

The Commission will determine the appropriate relief to be granted based on the evidence of record in the proceeding. The Commission is not bound by the proposals made by the company, staff, or any intervenors.

The Arizona Corporation Commission is in the process of evaluating the merits of the case in preparation for a courtroom-style administrative hearing. Companies, organizations and individuals that have formally intervened will have an opportunity to question the company and argue their position at the May 29 hearing in Phoenix, starting at 10:00 AM. An administrative law judge will preside over the hearing to assess the validity of each party's position.

Before the hearing begins, the Commissioners want to hear from members of the public who would be affected by the decision. There are three ways to offer public comment:

- By attending a formal public comment session,
- By sending a letter and 13 copies to the Commission's Docket Control Center
- By using the Commission's website to open and save a comment form and e-mailing the form to the Commission.

About Public Comment Sessions

Public comment sessions are formal proceedings and all comments will be transcribed by a court reporter. The Commissioners may limit the duration of each individual's comments to allow everyone a fair opportunity to speak.

No date has been set for the Commissioners to make a final decision on the case. The hearing in front of the administrative law judge could last several days. The judge then waits for any final briefs to be filed, for the transcripts to come in and begins working on a recommendation for the Commissioners to consider. This can take six to eight weeks or more, depending on whether the parties are ordered to submit summary briefs. Consumers should, however, be aware and anticipate that this case could result in an increase to their bills.

Public Comment by Mail

If you cannot attend in person, the Commission encourages the timely submission of written comments. Submit an original *and 13 copies* of your comments to the Docket Control Center and they will be distributed to the Commissioners and key staff members. Be sure to reference the docket numbers to ensure that your comments are properly catalogued and referenced.

Arizona Corporation Commission
Docket Control Center
1200 West Washington
Phoenix, AZ 85007

Docket Number: WS-01303A-06-0403

Electronic Public Comment

You may also comment through the Commission's Utilities Division website. Be sure to include the docket numbers listed above. For instructions on filing electronic public comment, click on <http://www.azcc.gov/divisions/util/consumerservices.htm>.

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