

Open Meeting Agenda Item
ORIGINAL



0000195083

COMMISSIONERS

BOB BURNS - Chairman
JUSTIN OLSON
ANDY TOBIN
BOYD DUNN
SANDRA KENNEDY



ARIZONA CORPORATION COMMISSION

1200 W. Washington
Phoenix, AZ 85007-2996

(602) 542-0745
www.azcc.gov

January 11, 2019

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

Arizona Corporation Commission
DOCKETED

JAN 11 2019

DOCKETED BY
[Signature]

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL
2019 JAN 11 P 3:47

Re: WS-01303A-17-0257- In the Matter of the Application of EPCOR Water Arizona Inc. for a Determination of the Current Fair Value of its Utility Plant and Property and for Increases/decreases in its Rates and Charges Based Thereon for Utility Service by its Agua Fria, Anthem, Chaparral, Havasu, Mohave, North Mohave, Paradise Valley, Sun City, Sun City West, Tubac, and Willow Valley Water Districts and for Consideration of Consolidation Proposals.

Commissioners and Interested Parties,

I am writing to respond to a concern raised by an EPCOR customer in this docket regarding comments that were made during the campaign this fall. The customer attached to her comments a news article that reported that at a campaign event in October all four of the candidates, including me, "opposed consolidation of utility companies."

This is an inaccurate description of the positions I described at the meeting and throughout the campaign. I did not prejudice any case that is before the Commission or any case that could come before the Commission. At the meeting described in the article, I informed the audience that as a sitting Commissioner I could not address the specifics of the EPCOR water rate case. I shared that I had thoroughly evaluated the facts presented in the wastewater consolidation case that had previously been decided by the Commission and that I would have voted against that consolidation had I been on the Commission at the time. I explained that my decision on the pending water case would not be made until all the evidence is taken and I have had the opportunity to hear directly from all the parties at an open meeting of the full Commission.

Certainly, the policy of consolidation was frequently an issue raised on the campaign trail. Without addressing pending cases, I often described that there are situations when consolidation can be in the interest of all affected ratepayers and there are other situations where consolidations will benefit some ratepayers at the expense of others through cross subsidization. I explained that when systems are similarly situated and share a common cost of service then consolidation may make sense as it can eliminate redundant costs and benefit all ratepayers. On the other hand, if districts have widely different costs of service then a consolidation would inappropriately shift the costs of the expensive system to the ratepayers of the low-cost system. And, as my quote in the article indicated, "I oppose cross subsidization,

which is what these consolidations really are," referring to consolidations that shift costs of one system to the ratepayers of another.

I do believe we need to be cautious of allowing widespread cross subsidization of different systems. Whenever a case proposing consolidation comes before me at the Commission this is the approach that I will use to determine whether I think the consolidation is appropriate and in the best interest of each ratepayer. I will evaluate the facts of each case independently and make a decision on each case after all parties have had a chance to present their cases before the Commission.

Although I spoke about consolidation as a Commission policy, I did not at any point address the EPCOR water case or opine on how consolidation may apply in that case. The only mention of the EPCOR water case that I ever made on the campaign trail was to inform voters that I have not yet determined a position on that case and that I will only after the parties have been heard at the open meeting of the Commission.

If anyone has further questions on this issue, I am happy to respond to them in the docket or address them at the open meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin Olson", with a stylized flourish at the end.

Commissioner Justin Olson

On this 11th day of January, 2019, the foregoing document was filed with Docket Control as a Correspondence From Commissioner, and copies of the foregoing were mailed on behalf of Justin Olson, Commissioner - A.C.C. to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

Epcor Water Arizona Inc.
WS-01303A-17-0257

Albert E. Gervenack
SUN CITY WEST PROPERTY OWNERS & RESIDENTS
ASSOCIAT
13815 Camino Del Sol
Sun City West AZ 85375
al.gervenack@porascw.org

Bob.miller@porascw.org
mark.johnson@porascw.org

Consented to Service by Email

Daniel Pozefsky
RUCO
1110 West Washington, Suite 220
Phoenix AZ 85007
procedural@azruco.gov
dpozefsky@azruco.gov
jfuentes@azruco.gov
cfraculob@azruco.gov

Consented to Service by Email

Douglas Edwards
13517 West Sola Drive
Sun City West AZ 85375
d.edwards795@yahoo.com

Consented to Service by Email

Lawrence V. Robertson, Jr.
210 West Continental Road, Suite 216
Green Valley AZ 85622
Tubaclawyer@aol.com

Consented to Service by Email

Andrew Miller
6401 E. Lincoln Drive
Paradise Valley AZ 85253
amiller@paradisevalleyaz.gov

Consented to Service by Email

Diane Smith
13234 West Cabrillo Drive
Sun City West AZ 85375
skylar_98@q.com

Consented to Service by Email

Greg Eisert
SUN CITY HOME OWNERS ASSOCIATION
10401 W. Coggins Drive
Sun City AZ 85351
gregeisert@gmail.com

Consented to Service by Email

Marshall Magruder
PO Box 1267
Tubac AZ 85646-1267
mmagruder@earthlink.net

Consented to Service by Email

Raymond Valle
20823 W. Canyon Drive
Buckeye AZ 85396
phxvalles@gmail.com

Consented to Service by Email

Michele Van Quathem
LAW OFFICES OF MICHELE VAN QUATHEN, PLLC
7600 N. 15th St., Suite 150-30
Phoenix AZ 85020
mvq@mvqlaw.com

Consented to Service by Email

Regina Shannay-Saborsky
CORTE BELLA COUNTRY CLUB ASSOCIATION
22155 North Mission Drive
Sun City West AZ 85375
rsaborsky@cox.net

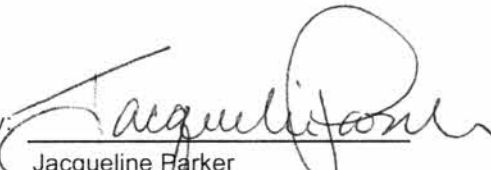
Consented to Service by Email

Roger G. Willis
ANTHEM COMMUNITY COUNCIL, INC.
3701 West Anthem Way, Suite 201
Anthem AZ 85086
roger@willis-home.com

Consented to Service by Email

Thomas H. Campbell
LEWIS ROCA ROTHGERBER CHRISTIE, LLP
201 East Washington Street, Suite 1200
Phoenix AZ 85004
sskoubis@epcor.com
mhallam@lrrc.com
shubbard@epcor.com
tcampbell@lrrc.com

Consented to Service by Email

By: 
Jacqueline Parker
Deputy Policy Advisor

Robin Mitchell
ARIZONA CORPORATION COMMISSION
Director - Legal Division
1200 W. Washington St.
Phoenix AZ 85007
legaldiv@azcc.gov
utildivservicebyemail@azcc.gov
ndavis@azcc.gov
wvancleve@azcc.gov
RMitchell@azcc.gov

Consented to Service by Email

Steve Wene
MOYES SELLERS & HENDRICKS, LTD
1850 N. Central Ave, 1100
Phoenix AZ 85004