January 31, 2019

Parties to Docket No. WS-01303A-19-0011:

On January 30, 2019, Mr. Eisert, who represents SCHOA, a party to the Docket sent the attached email to Administrative Law Judge Martin. In conformity with the directives of A.A.C. R14-3-113(D), the email and attachment are being filed.

Respectfully,

Belinda A. Martin
Administrative Law Judge
On this 31st day of January, 2019, the foregoing document was filed with Docket Control as a Hearing Division Memorandum, and copies of the foregoing were mailed on behalf of the Hearing Division 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.

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By: [Signature]

Grace Beltran  
Assistant to Belinda A. Martin
From: Greg Eisert <gregeisert@gmail.com>
Sent: Wednesday, January 30, 2019 8:21 PM
To: Robin Mitchell; Elijah Abinah; Belinda Martin
Cc: Jim Hunter; JIM STARK; Gail Warmath; Greg Eisert
Subject: Commissioner Olson Letter - RUO Response

Robin Mitchell, Director
Elijah Abinah, Director
Belinda Martin, ALJ

Earlier this evening I received an email from the Docket presenting a Letter from Commissioner Olson for feedback relating to dockets WS-01303A-17-0257/WS-01303A-19-0011. His request has an air of urgency, for which I agree.

Unfortunately, I am not in a location whereby I am able to get my response docketed directly as is normally required.

Since I believe Commissioner Olson wishes a quick response I have attached SCHOA's response in the hope that one of you would graciously assist in getting our response properly docketed.

Thank you in advance for your assistance.

Greg Eisert

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30 January 2019

In consideration of Commissioner Olson’s memo and request for comment dated and docketed this date, SCHOA agrees with Commissioner Olson’s assessment that we should expend all our efforts toward a quick resolution of this case.

I submit SCHOA’s comments directly as I am not located at this time with the ability to have the document delivered in the normal manner. I am submitting these comments with the understanding that expediency is paramount and the Commission will find a way to appropriately have them heard.

SCHOA believes it is the Commissioners’ responsibility to determine the decision, not the Company. It seems the re-consideration effort strayed from this course when the Commission asked the Company to decide whether it would accept an amendment, in the form of an offer. The Company declined and only then did the preceding decision to reject the ROO hold.

Nevertheless, here we are. SCHOA holds that the process to consider interim/emergency rates is moot because the Company was offered the original Staff proposed post-test year plant figure while allowing the twelve-month duration to stand. A fair proposal. The company willfully made their decision knowing full well they would not receive their increases in the timeframe expected. Also, the company is not in an emergency need situation financially. It seems the exercise would prove fruitless for the company, as well as simply add cost and postpone their deserved revenue requirement.

It is SCHOA’s contention that it is in the company’s best interest to negotiate the post-test year plant number. Staff’s original number was presented as a result of extensive research and it is not logical that they could be wrong by over 40%. Especially, since RUCO’s number was even less than Staff’s original assessment. That in and of itself lends credence to the original staff number.

The SIB Amendment curtailing it to those customers exhibiting 10% water leakage seems reasonable. However, SCHOA believes this may be an item that could be worked out with a different solution.

SCHOA sees the Amendment to allow Paradise Valley to move back to five tiers is a no brainer as it would not have any impact on any other district.

SCHOA had previously supported that ROE should be reduced due to the time lag reduction close to zero for SIB allowed items. We still believe that to be good policy but would not push, if it assists in concluding the case.

Considering the scope of this case, the remaining issues are minuscule.

SCHOA supports the ROO and adjustments noted above to Commissioner Olson’s Amendments. It is in the best interest of both the company and ratepayers for the Commission to resolve the case without further delay.

Respectfully submitted,

Greg Eisert
SCHOA Government Affairs