

EPCOR Water Seeking Rate Increase for Mohave and Havasu District

(LAKE HAVASU CITY, Ariz.) - The Arizona Corporation Commission has confirmed that EPCOR Water's application for a rate case filing that includes both the Mohave Water and Wastewater systems is sufficient to proceed. According to Mohave County Supervisor Buster Johnson, the rate increase if approved will have a drastic effect on Mohave County residents and businesses serviced by EPCOR. "As our county is continuing to feel the pain of the recent recession, the businesses and residents of Mohave County cannot take on these unwarranted increases," Johnson stated.

EPCOR's case filing is asking the Corporation Commission for a 31.2% increase in the water rates and a 44.3% increase in wastewater rates. Along with EPCOR's request for a rate increase, the company is also requesting a Systems Improvement Benefit ("SIB") surcharge that will allow EPCOR to increase rates over the next five years without the benefit of a rate filing. "The Residential Utility Consumer Office (RUCO) has filed suit in the past against the ACC on the basis that the SIB surcharge is unconstitutional," Johnson stated.

EPCOR is also requesting additional adjustor mechanisms that if approved by the Commission would create additional costs to the ratepayers outside a normal rate case filing. Finally, the company is also requesting the inclusion of a "post-test year plant" for both the water and wastewater systems. "The inclusion of this would allow the company to collect a return on company assets that were not in service during the test year," Johnson explained. "If all additional surcharges and adjustors are approved as has been the recent trend, the increase will be much more and can even come between rate case filings," Johnson stated.

EPCOR's claims their case filing is based on increased operating costs and infrastructure investments the company has made since 2010. According to EPCOR, \$15 million has been invested in the infrastructure necessary to supply water and service to the Mohave district. "What they are trying to do is pass all of their costs onto their consumers," Johnson stated. "They are requesting this increase to offset their maintenance cost which should have been offset already through the building of new infrastructure," Johnson continued.

If EPCOR Water's rate increase request is approved by the Arizona Corporation Commission, the monthly increases residential customers can expect are:

For a 5/8 inch meter using 6,800 gallons the increase would be \$9.06

For a 3/4 inch meter using 15,167 gallons the increase would be \$12.46

For a 1 inch meter using 23,601 gallons the increase would be \$23.41

For a 2 inch meter using 61,883 gallons the increase would be \$72.31

“These increases are outrageous! How does EPCOR expect people to pay for this?” Johnson questions.

For those interested in filing a “motion to intervene” with the ACC, either as a group or as an individual, to argue against the rate increase, motions must be submitted by July 1. A person desiring to intervene must file a written Motion to Intervene with the ACC along with sending a copy of the motion to EPCOR.

A motion to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any party upon whom service of documents is to be made, if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of EPCOR, a shareholder of EPCOR, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to EPCOR or its counsel and to all parties of record in the case.

Please Note: Failure to intervene will NOT preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

To obtain an application to intervene, please contact Supervisor Buster Johnson’s office at 928-453-0724.

The ACC hearing regarding the EPCOR case will be on December 2nd at 10:00 a.m., at the Commission’s offices, Hearing Room #1, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. WS-01303A-14-0010 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington Street, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to <http://www.azcc.gov/Divisions/Utilities/forms/PublicCommentForm.pdf>

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