

Utility panel reopen PV water rate case

by **Diana Balazs** - Mar. 20, 2008 02:24 PM
The Arizona Republic

PARADISE VALLEY - The [Arizona](#) Corporation Commission has set May 15 to rehear a controversial rate case involving the Arizona American Water Co.

The new rates sent water bills soaring, particularly for its high-use residential and commercial customers in Paradise Valley and [Scottsdale](#).

Paradise Valley Councilwoman Mary Hamway, who heads the town's Water Committee, announced Wednesday at the monthly meeting of the Paradise Valley Citizens Forum that the hearing is set for 10 a.m. May 15 at the commission, 1200 W. [Washington](#) St.

Both the town and three of its resorts - the Sanctuary on Camelback Mountain, Marriott's Camelback Inn and the Scottsdale Renaissance - have been given permission by the commission to intervene in the case by providing testimony in support of reopening the rate case.

Hamway said the deadline to submit that testimony is next Friday.

In July 2006, the commission, which regulates utilities, approved a three-part rate hike for Arizona American that included a new public-safety surcharge and one for high-end users.

The high-block surcharge took effect in August 2006, causing water bills to rise dramatically for both Paradise Valley and Scottsdale customers.

Of Arizona American's approximately 4,700 customers, 20 percent of those are high-block users - residential customers using more than 80,000 gallons per month and resort and other commercial customers using more than 400,000 gallons monthly.

The average Arizona American Water customer uses about 44,000 gallons per month, Hamway said. She said there are 30 residents in the town who use more than 1 million gallons monthly.

If the corporation commission finds a more equitable way for Arizona American to collect the surcharges by amortizing them over a longer period of time, the impact may be short-lived.

Hamway said Arizona American will file a new rate case with the corporation commission in mid April.

"They (commissioners) are going to hear the reopening of the old rate case on May 15, but Arizona American is going to file a brand new rate case which will supersede the reopening," Hamway said.

She said the town is going forward with reopening the old rate case because the new rate case, if approved, would not be implemented for about a year to 18 months.

"So we will reduce our rates and our resorts and the high-block users will get a little bit of a break for about 18 months," she said.

Whatever happens, Hamway said high-block users will continue to see high water rates.

"The Corporation Commission is saying to us you need to do differently, you need to respond differently, you need to use less water. They're going to continue to hit the high-block users," she said.