

PUBLIC NOTICE OF HEARING ON THE APPLICATIONS OF
SAHUARITA WATER COMPANY, L.L.C.
FOR THE SETTING OF RATES AND CHARGES FOR
WATER UTILITY SERVICE AND FINANCING

DOCKET NOS. W-03718A-24-0172
AND W-03718A-24-0173 (CONSOLIDATED)

Summary

On August 1, 2024, Sahuarita Water Company, L.L.C. (“SWC” or “Company”) filed an application with the Arizona Corporation Commission (“Commission”), in Docket No. W-03718A-24-0172, requesting adjustments to its rates and charges for water utility service. Also on August 1, 2024, SWC filed an application with the Commission, in Docket No. W-03718A-24-0173, requesting authority to issue evidence of indebtedness in connection with the purchase of the building in which the Company’s business office is located. The two dockets have been consolidated.

SWC’s Rate Request

In its rate application (Docket No. W-03718A-24-0172), SWC proposes rates an increase in its water rates to generate total revenues of \$4,585,914. This would constitute an increase in revenues of \$623,795, or 15.74 percent, over adjusted test year revenues of \$3,962,119, resulting in a 9.42 percent rate of return on the Company’s proposed fair value rate base of \$13,771,755. If the Company’s request is granted as proposed, the monthly bill for a residential customer with a 5/8 x 3/4 inch meter and an average consumption of 4,737 gallons would be \$38.74, a \$5.16 or 15.35 percent increase over the present average monthly bill of \$33.59.

In addition, SWC requests approval of a rate case expense surcharge and has calculated the proposed surcharge to be \$1.22 per customer per month for three years. With the rate case expense surcharge, a residential customer with a 5/8 x 3/4 inch meter would pay \$39.96, a \$6.38 or 18.99 percent increase over the current monthly bill.

SWC’s Request for Financing

SWC seeks Commission approval of long-term debt financing in the amount of \$2,800,000 for the purpose of purchasing the building where the Company’s business office is located (Docket No. W-03718A-24-0173). If SWC’s application is granted, the Company’s capital structure will consist of 76 percent equity and 24 percent debt.

The Commission’s Utilities Division (“Staff”) is in the process of reviewing and analyzing the Applications and has not yet made recommendations regarding SWC’s requests. **THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF SWC, STAFF, OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED IN RESPONSE TO THE COMPANY’S APPLICATIONS BASED ON THE EVIDENCE PRESENTED IN THIS MATTER. THE FINAL RATES APPROVED BY THE COMMISSION MAY BE HIGHER, LOWER, OR DIFFERENT THAN THE RATES PROPOSED BY SWC OR BY OTHER PARTIES.**

Contact Information

A customer with questions concerning how the applications may affect his or her bill or other substantive questions may contact SWC at **14125 S. Rancho Sahuarita Blvd., Sahuarita, Arizona, 85629; telephone no. 520-399-1105; Email: customerservice@sahuaritawater.com.**

How You Can View or Obtain a Copy of the Application

Copies of the Application are available from SWC on the Internet via their website, www.sahuaritawater.com (select “Water Rates” under “Customer Service”); at the Commission’s Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, and 400 West Congress Street, Suite 218, Tucson, Arizona, during regular business hours; and on the Commission’s website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on the consolidated dockets beginning **May 27, 2025, at 10:00 a.m.**, and continuing as needed on **May 28, 29, 30, and June 2, 2025, at 9:00 a.m.**, at the Commission’s offices, Room 222, 400 W. Congress Street, Tucson, Arizona, 85701.

Public comments will be taken at the beginning of the first day of hearing and may be provided in person or telephonically. To provide telephonic public comments, **call 1-877-309-3457 and enter this code: 24601833204##, by 10:00 a.m. on the date of the hearing.**

Written public comments may be submitted by mailing a letter referencing **Docket Nos. W-03718A-24-0172 and W-03718A-24-0173** to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission’s website (www.azcc.gov) using “Cases and Open Meetings” and “Make a Public Comment in a Docket.” If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this docket unless you sign up to Follow the Docket. However, all documents filed in this docket are available online (usually within 24 hours after docketing) at the Commission’s website (www.azcc.gov) using the e-Docket function. **Information on how to Follow a Docket is available on the Commission’s website using “Cases and Open Meetings” and “Follow a Docket or Document Type.”**

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person’s intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties’ witnesses. **Intervention is not required for you to appear at the hearing and provide public comment, to file written comments in the record of the case, or to receive emailed notice of each filing made in the case by following the docket.**

Information about what intervention means, including an explanation of the rights and responsibilities of an intervenor, is available on the Commission’s website (www.azcc.gov) by clicking on “Cases and Open Meetings” and then clicking on “Intervene in a Case.” The information includes a Sample Intervention Request and a Fillable Intervention Request Form.

To request intervention, you must file a written request to intervene, either (a) by filing a hard copy request (meeting filing requirements) with Docket Control (Docket Control, 1200 West Washington, Phoenix, AZ 85007), or (b) by eFiling the request. Your request **must be filed or eFiled no later than November 15, 2024**. Instructions and restrictions for eFiling are available on the Commission’s website at <http://azcc.gov/hearing/efile-for-utilities-instruction>. You also **must** serve a copy of the request to intervene on each party of record, on the same day that you file the request to intervene with the Commission.

Your request to intervene **must** contain the information below:

1. Your name, address, and telephone number;
2. The docket number for the case in which you are requesting to intervene;
3. A short statement explaining:
 - a. Your interest in the proceeding (e.g., a customer of the regulated company involved, an owner in an area to be affected by the case, etc.),
 - b. How you will be directly and substantially affected by the outcome of the case, and
 - c. Why your intervention will not unduly broaden the issues in the case;
4. If a hearing has not been scheduled, whether and why you believe a hearing is needed;
5. A statement certifying that you have sent a copy of your request to intervene to the regulated company or its attorney and to all other parties of record in the case; and
6. If you are not represented by an attorney who is an active member of the Arizona State Bar, and you are not representing yourself as an individual, sufficient information and any appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31, 38, 39, and 42, as applicable. This only applies if you are NOT representing yourself and you are not a licensed attorney.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that **all motions to intervene must be filed on or before November 15, 2024.**

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator for the Hearing Division, E-mail HearingDivision@azcc.gov, voice phone number 602-542-4250. Requests should be made as early as possible and no later than 48 hours in advance of the event to allow time to arrange the accommodation.