

BELLA VISTA WATER COMPANY, INC.

DOCKET NO. W-02465A-09-0411 ET AL.

DIRECT TESTIMONY

OF

JODI A. JERICH

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

APRIL 12, 2010

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1 **INTRODUCTION**

2 **Q. Please state your name, occupation and business address for the**
3 **record.**

4 A. My name is Jodi Jerich. I am the Director of the Arizona Residential Utility
5 Consumer Office (RUCO). My business address is 1110 W. Washington
6 Street, Suite 220, Phoenix, Arizona 85007.

7

8 **Q. Please state your educational background and qualifications in the**
9 **utility regulation field.**

10 A. Governor Brewer appointed me to serve as the Director of RUCO in February
11 2009. The State Senate found my qualifications met the statutory
12 requirements found in Arizona Revised Statutes §40-462 and confirmed my
13 appointment. As Director, I oversee and approve all testimony and briefs filed
14 by RUCO. In consultation with my staff, I direct the public policy decisions of
15 the office.

16

17 From 2003 through 2005, I was employed at the Arizona Corporation
18 Commission as the Policy Advisor to Corporation Commissioner Mike
19 Gleason. In that role, I advised the Commissioner on matters coming before
20 the Commission including water utility rate cases. I was actively involved in
21 the utility policy-making decisions of that Commissioner's office.

22

23 Except for the time I was employed by the Commission, from 1997 through
24 2008, I was employed at the Arizona House of Representatives. I held several

1 positions during my tenure, eventually becoming Chief of Staff and Counsel to
2 the Majority Caucus. Relevant to the question at hand, I advised Legislators
3 on matters involving water, energy, Commission jurisdiction and utility
4 security.

5
6 In 2006, when Governor Janet Napolitano appointed Barry Wong to fill the
7 Commission seat vacated by Commissioner Marc Spitzer's appointment to
8 the Federal Energy Regulatory Commission (FERC), I took a leave of
9 absence from the Legislature for a short time in order to assist Commissioner
10 Wong establish his office.

11
12 Finally, I am a Phi Beta Kappa graduate of Indiana University. I also have a
13 juris doctorate degree from Indiana University and am a member of the
14 Arizona and Tennessee bars.

15

16 **Q. What is the purpose of your testimony?**

17

18 A. The purpose of my testimony is to explain RUCO's position on rate
19 consolidation in this docket.

20

21 **RATE CONSOLIDATION**

22 **Q. What is "rate consolidation"?**

23

A. Rate consolidation is also commonly known as "single tariff pricing". In
24 addition, the terms "uniform rates", "standard tariff rates", "unified rates"

1 and “rate equalization” are sometimes used. My testimony will refer to
2 this concept as rate consolidation.

3
4 Rate consolidation is the use of a unified rate structure for multiple water
5 utility systems that are owned and operated by a single utility, but that may
6 not be contiguous or physically interconnected. Through rate
7 consolidation, all customers of the utility pay the same rate for service,
8 even though the individual systems providing service may vary in terms of the
9 number of customers served, operating characteristics and stand alone
10 costs.

11

12 **Q. What is RUCO’s position on rate consolidation in this docket?**

13 A. RUCO supports stand alone rates. As it has in the past, RUCO continues to
14 contend that separate rates for separate systems respect the principle of
15 traditional cost of service ratemaking and ensure that those who use the utility
16 services pay for them. However, consistent with RUCO’s position in the
17 pending Arizona Water rate case (Docket No. W-01445A-08-0440), RUCO
18 will not oppose consolidated rates if the Commission finds that such rate
19 design is in the public interest.

20

21 Along with this testimony, RUCO is filing revenue requirement testimony, cost
22 of capital testimony and supporting schedules for a consolidated system. On
23 April 23, 2010, RUCO will submit its recommended testimony and stand alone
24 testimony schedules for revenue requirement and cost of capital for each of

1 the three systems. Additionally, RUCO will file rate design testimony for ***both***
2 a consolidated and stand alone basis. At that time, RUCO will also file
3 testimony providing its rationale and analysis of public policy regarding its
4 position on rate consolidation.

5

6 **Q. Does this conclude your testimony?**

7 A. Yes.

8

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