

TERESA MARTINEZ
1700 WEST WASHINGTON, SUITE H
PHOENIX, ARIZONA 85007-2844
CAPITOL PHONE: (602) 926-3158
TOLL FREE: 1-800-352-8404
tmartinez@azleg.gov

DISTRICT 16



COMMITTEES:
TRANSPORTATION &
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Arizona House of Representatives

1700 West Washington
Phoenix, Arizona 85007

October 10, 2025

Via E-mail

Cynthia Zwick, Director
Residential Utility Consumer Office
1110 W. Washington St. #220
Phoenix, AZ 85007
czwick@azruco.gov

RE: Request for Current Rate Case Participation List

Dear Director Zwick,

Thank you for your response dated October 3, 2025. I understand the need to allocate staff time wisely when resources are limited. On page two of your response, you explained that due to limited resources and staffing, the Residential Utility Consumer Office (RUCO) had to "limit our intervention to the largest utility rate cases, primarily defined as Class A companies." You also explained that this has been RUCO's approach "for the last 20 years." With respect to these statements, I want to note the following:

I. Utility Class is one way to prioritize RUCO participation, but it's not the only way.

When I think of residential customers, I think of bill impact. A Class B or C utility in rural Arizona facing a 150-200% rate increase may be more deserving of RUCO attention than a Class A utility in suburban Arizona facing a 5-10% increase.

Other metrics RUCO could rely on include the number of consumer complaints or regulatory violations, the amount of time between rate cases, or the size of recent capital investments. Any of these could be viewed as a more nuanced approach than simply considering the size of the company, whether based on total annual revenues or the total number of residential customers.

II. RUCO's current method happens to be the most time- and labor-intensive approach.

As your response correctly identified, intervening in a Class A utility rate case is a time- and resource-intensive process, often involving "over 1,000 pages of written testimony and exhibits," "administrative hearings lasting anywhere from one week to a month or more," and "outside consultants."

But it seems your agency is willingly taking on this additional workload. By limiting yourself to only Class A utilities, your agency is intentionally selecting the rate cases that demand the most of your time and resources. But workload demand does not always equate to the greatest impact to customers.

RUCO Director Cynthia Zwick

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If you did not prioritize rate cases by utility class alone, then your agency might have some additional time and resources available to dedicate to other, smaller utilities, which may not require as many pages of testimony, as many days of hearings, or as many billable hours from consultants.

In fact, if RUCO were to prioritize some Class B or C utility rate cases, then not only might the agency's workload be less intensive and costly than it is today, but also your staff might be able to participate in more of them, thereby helping more customers and making a potentially bigger impact, rather than being bogged down solely by Class A rate cases.

III. Agency directors are not bound by past administrations unless rules or a substantive policy statement have been adopted.

You noted that the agency's decision to prioritize only Class A utility rate cases has been RUCO's approach "for the last 20 years," but Arizona Revised Statutes does not require this, and I assume each new administration and its respective agency director are free to make their own decisions about how to allocate RUCO's time and resources or how to prioritize the rate cases to intervene in.

As you know, unless an administrative rule, executive order, or other guiding document is still in effect that binds RUCO to a particular method, the agency is not bound to the approach of the last 20 years. You are free to chart your own course.

It's possible that the approach the agency has been taking over the last 20 years is the 'right' approach, but given the current circumstances surrounding Picacho Water Company and its residential customers, I can't be sure. To help me evaluate the current approach and determine whether an alternative may be appropriate, I respectfully request the following information:

- 1. A list of all rate cases RUCO is currently participating in.**
- 2. For each rate case, the following information:**
 - a. The utility's proposed monthly bill impact to residential customers (as a percent).**
 - b. The utility's proposed monthly bill impact to residential customers (in dollars).**
 - c. The current monthly bill amount for residential customers (dollars).**
 - d. The utility's proposed monthly bill amount for residential customers (dollars).**
 - e. The date the current rates went into effect (date).**
 - f. The number of years since the last rate case (number).**

Please let me know if you have any questions. I look forward to hearing from you. Thank you.

Respectfully,



Teresa Martinez,
Representative, Legislative District 16
Arizona House of Representatives

