

Arizona Corporation Commission
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DEC 07 2004

Oak Creek Utility Corporation
P.O. Box 48
Cave Creek, Az. 85327

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602-482-5164
602-722-8754

WS-02061A-04-0835

December 3, 2004

Mr. Marc Spitzer
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ. 85007

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DEC 07 2004

Re: Oak Creek Utility Corporation rate application

Dear Mr. Spitzer,

My name is Dean Orem, I am the owner and president of the Oak Creek Utility Corporation. Please find enclosed a copy of correspondence I have written to Mr. Ernest Johnson of the utilities division. I have been trying for the last year get my rate application approved. At this point it has been requested of us that we change our test year and begin the process all over again. You can imagine my disappointment with the staff not to mention all the time, money and effort which we have expended thus far all to start over again. This is a very small company, 30 water customers and 27 wastewater. The process should not take any longer than the 4-6 months stated in the A.C.C. policy and procedures. I just wanted to make you aware of this situation, perhaps you could help my case along, any help would be greatly appreciated. I don't wish to take up any more of your time. If you have any questions please feel free to contact me. Thank you for your time.

Sincerely,

Dean W. Orem
President

AZ CORP COMMISSION
DOCUMENT CONTROL

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Oak Creek Utility Corporation
P.O. Box 48
Cave Creek, Az. 85327

602-482-5164
602-722-8754

December 3, 2004

Ernest Johnson
Arizona Corporation Commission
Utilities Division
1200 W. Washington
Phoenix, Arizona 85007

Re: Oak Creek Utility Corporation; Rate Application

Dear Mr. Johnson:

I am writing to make you aware of the current situation regarding Oak Creek Utility Corporation's (O.C.U.C.) rate application. As you probably know we have filed for a rate increase as of Nov. 19 2004. This application follows our previous application for rate increase which was filed on Nov. 4 2003. After one full year of work by myself, Dick Sallquist and my management co. your staff there at the A.C.C. has determined that we should change our test year from 2002 to 2003. It has cost me nearly \$10,000 dollars to reach this point. I find it hard to believe that it would take a full year to reach this conclusion.

We are now put in a position to begin the entire process all over again. Profit from the O.C.U.C. For the new test year 2003 was \$348.00. Since we filed our original rate application the company has incurred many expenses, well pump replacement, service installations, emergency repairs, etc.. These expenses have come out of my pocket personally. We are also operating under an A.DE.Q. Consent order for lack of storage. In 2003 I applied to W.I.F.A. for funding which was approved and the company was number four on the 2004 priority list, however we were unable to do any work because of the lack of debt authority from the A.C.C. We have now had to re-apply for the W.I.F.A loan at a substantially higher amount due to increased steel costs in the last year.