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September 29, 2003

Ernest Johnson, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
Docket Control
1200 Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

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RE: Response to your letter dated September 4, 2003 to Commissioner Jeff-Hatch-Miller.

DOCKET No. W-01303A-02-0869

Dear Mr. Johnson:

My name is listed below and my telephone number and address are shown above.

I represent Fiesta RV Resort Limited Partnership, an RV Park in Bullhead City, and we wish to provide additional information to the Arizona Corporation Commissioners regarding rates of water companies near the Arizona-American water system/s in Mohave County.

Our research shows there are 30 water companies in Mohave County. Of those, 25 have a rate design for 3" meters; 23 have a rate design for 4" meters; and 20 have a rate design for 6" meters.

The Fiesta RV Resort is served with a 6" meter so we only compared the Arizona-American 6" meter/multi-unit residential customer rates with the other water companies nearby as they would apply to the Fiesta RV Resort. Table 1 compares the rates of 20 water companies. The results of the comparison include:

First, only Arizona-American has a special rate for multi-unit projects that charges by the unit/space whether or not the space is occupied. None of the other water company bill multi-unit customers in this way.

Second, the average 6" meter charge is \$672.03 This compares with the current Arizona-American up front charge of \$3,105.35.

Third, the average total bill for all of the water companies, if applied to the Fiesta RV Resort, would decrease their water bill by \$769.49 per month or about \$9,250.00 per year. The actual savings would probably be much higher if Arizona-American were required to complete a cost of service study for multi-units projects.

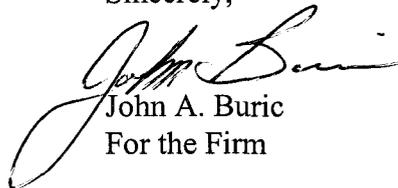
In summary, the current method of billing for water use within an RV Park in the Mohave Water Company is inappropriate. RV Parks are now classified as "Centrally Metered Residential Units" and are billed based on the number of **Spaces within the RV Park whether or not they are occupied.** Of course, during the warmer summer months almost all of the RV spaces will be unoccupied. For example, the current water bill for Fiesta RV Resort, for all 12 months of the year, is based on 359 spaces times \$8.65 per space or a **Minimum of \$3,105.35.** For the bill ending June 27, 2003 the actual bill was **\$3,105.35 plus a Quantity fee of \$1,216.56 for a total of \$4,321.91.**

We propose that the method of billing for water use within an RV Park in the Mohave Water Company be based on the **Meter Size** serving the development **and a Quantity Rate per 1,000 Gallons.**

Fiesta RV Resort, and other multi-unit customers, should be granted immediate relief from the current grossly inflated rate. The inflated fees that have been paid in the past should make up for any losses Arizona-American might incur while they develop a legitimate rate structure. In fact, based on previous complaints, we are very surprised that Arizona American did not proposed a new rate design on their own.

We respectfully request that the Arizona Corporation Commission amend the current RV Park rate design for the Mohave Water Company to \$200.00 for a 6" meter plus \$1.48 per 1,000 gallons of total usage. Further, Arizona American should be allowed to apply for a rate increase if and when they can document the need. If this rate were currently in effect the Fiesta RV Resort water bill for the bill ending June 27, 2003 would have been **\$1,946.40** (based on a 6" meter rate of \$200.00 and a \$1.48 per 1,000 gallons). The actual bill for this one month alone is inflated by a factor of **222 Percent or \$2,375.51.**

Sincerely,



John A. Buric
For the Firm

cc: Arizona Corporation Commission (13)
Fennemore Craig (1)
Others on the mailing list

Water Company	Multi-Unit Rate per Unit	Multi-Unit Charge*	6" Meter Rate	Water Rate Per 1K Gal.	Water Charge	Total Bill
Arizona American Mohave	\$8.65	\$3,105.35	N/A	\$1.48	\$1,216.56	\$4,321.91
North Mohave Valley	N/A	N/A	\$550.00	\$3.55	\$4,192.55	\$4,742.55
Sunrise Vistas	N/A	N/A	\$675.00	\$2.20	\$2,598.20	\$3,273.20
Lagoon Estates	N/A	N/A	\$612.00	\$2.00	\$2,362.00	\$2,974.00
Willow Valley	N/A	N/A	\$300.00	\$1.70	\$2,007.70	\$2,307.70
Biasi	N/A	N/A	\$750.00	\$3.00	\$3,543.00	\$4,293.00
Cerbat	N/A	N/A	\$690.00	\$2.65	\$3,129.65	\$3,819.65
Dolan Springs	N/A	N/A	\$604.00	\$3.08	\$3,637.48	\$4,241.48
Double R	N/A	N/A	\$440.00	\$2.25	\$2,657.25	\$3,097.25
Golden Shores	N/A	N/A	\$900.00	\$1.31	\$1,547.11	\$2,447.11
Ho-Tye	N/A	N/A	\$1,150.00	\$2.25	\$2,657.25	\$3,807.25
Joshua Valley	N/A	N/A	\$600.00	\$4.25	\$5,019.25	\$5,619.25
Lake Juniper	N/A	N/A	\$600.00	\$1.50	\$1,771.50	\$2,371.50
Mesquite Farmstead	N/A	N/A	\$750.00	\$0.75	\$885.75	\$1,635.75
Mount Tipton	N/A	N/A	\$200.00	\$3.00	\$3,543.00	\$3,743.00
Truxton Canyon	N/A	N/A	\$650.00	\$2.50	\$2,952.50	\$3,602.50
Valley Pioneers	N/A	N/A	\$900.00	\$4.60	\$5,432.60	\$6,332.60
Virginia Mountain	N/A	N/A	\$1,000.00	\$3.00	\$3,543.00	\$4,543.00

Virgin Valley	N/A	N/A	\$997.50	\$1.75	\$2,066.75	\$3,064.25
Yucca	N/A	N/A	\$400.00	\$1.00	\$1,181.00	\$1,581.00
Average			\$672.03	\$2.44	\$2,880.40	\$3,552.42

* Based on 359 units