

OPEN MEETING AGENDA ITEM



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Brent Myers  
P.O. Box 2086  
Overgaard, AZ 85933

ORIGINAL RECEIVED

ARIZONA CORPORATION COMMISSION

DOCKETED 4700

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Arizona Corporation Commission  
Amanda Pope, Presiding Law Judge  
James Fisher, Consultant, Utilities Division  
AZ CORP COMMISSION  
DOCUMENT CONTROL

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RE: May 9, 2005 hearing concerning transfer of Beaver Valley Water Co.

To whom it may concern: W-02015A-03-0724

I was present at the above mentioned hearing as an independent observer, and am compelled to docket my own account of the proceedings.

Inasmuch as this case is both complicated and convoluted, it appears clear to one who has no vested interest, or "axe to grind," that the Commission has inappropriately commingled two issues that should be dealt with mutually exclusive of each other. The overlap of a Commission approved rate increase and the subsequent application for transfer of assets of Beaver Valley Water Company should be dealt with as sole and separate concerns.

It is clear that this utility is in desperate need of the approved increase in rates, irrespective of the ownership profile. I would challenge the Commission to provide evidence documenting any water utility provider that is operating successfully under the rate structure prior to the Staff approved increases. It is impossible to imagine that the Commission was not proactive in rate adjustments prior to this time in light of a 15 year stagnation. With gas prices in excess of \$2.30 per gallon, consumers willing to pay in excess of \$40 per month for luxuries such as cable TV and broadband internet services, it is simply unconscionable to expect a water provider to be restricted to a base rate of under \$20 per month with the inclusion of 1,000 gallons of commodity, enough to sustain a moderate household. I simply don't understand how the Commission and the consumer public at large can expect any service without the rate increase that was Commission approved more than two years ago. Is it customary to require a change of ownership to ratify a long overdue increase in rates? It really does not matter who owns it!

As for the transfer of ownership: a simple question should be asked of the Commission and staff, (and dissident consumers, for that matter). Would you buy Beaver Valley Water Company, take on all the variety of problems associated with an antiquated delivery system, attempt to comply with and improve water quality standards: without the comfort level provided in the Commission approved rate increases??? If you answered "yes" to this question, ignorance borders on insanity! I feel the buyer (Mr. Davoren) was well within his rights to wait until receipt of Staff approval of rate increase to agree to personally obligate himself for this acquisition. Any sane and logical person would have proceeded identically. Mr. Davoren has proven, over more than three years of involvement with this utility, (as an independent contractor), his commitment to

providing and maintaining service to the customer base at Beaver Valley. I am appalled by the Commission's apparent malice by way of intentional ignorance of docketed support letters that I discovered upon personal examination of the docketed files. It appears the Commission is more interested in the unfounded and surreal claims of a small, codependent band of insurgents, than a true and unbiased appraisal of this situation. I, personally, do not understand Mr. Davoren's desire to own this utility but admire his wherewithal and good intention. I doubt that anyone in opposition can dispute his commitment to what is most accurately described as a "quagmire".

In closing, I wish to reiterate my opinion that the Commission has imperiled the customer base that it professes to protect by the blatant attempts to sabotage a simple transfer of a small but functional utility that in no way evidences any problems for the Commission or its customer base. I feel that simple logic would indicate that previously approved rate increases should be left in place without offset or refund to a customer base that should be appreciative that they have "dodged this bullet" for more than fifteen years. I feel that restrictions on this increase and transfer by insisting on refunds of monies previously collected, (and subsequently reinvested in improvements to the system as a whole), is an incredulous error and totally inappropriate. I believe the Commission needs to take a long hard look at who they are really protecting here, the consumers at large?, or themselves...

Sincerely,

A handwritten signature in black ink, appearing to read "Brent W. Myers". The signature is stylized and somewhat cursive, with a large initial "B" and "M".

Brent W. Myers  
An Independent Observer