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ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Deborah Reagan **Phone:** (602) 364-0236 **Fax:** (602) 542-2129

Priority: Respond Within Five Days

Opinion No. 2002 - 15086 **Date:** 04/12/2002

Complaint Description: 08A Rate Case Items - Opposed/In Favor

Complaint By: **First:** Jim & Marian **Last:** See

Account Name: Jim & Marian See **Home:** (623) 935-3571

Street: 15753 W. Indianola **Work:** (000) 000-0000

City: Goodyear **CBR:**

State: AZ **Zip:** 85338 **is:**

Utility Company: Litchfield Park Service Company

Division:

Contact Name: Jerry G. West **Contact Phone:** (602) 935-9367

Nature of Complaint:

DOCKET W-01427A-01-0487

Received following e-mail -

Dear Corporation Commission,

We are aware that a proposal has been put before you by the LPSCO Water Company and its parent company, SunCor, to increase its rates for service to the area of Goodyear in which we live (Pebblecreek). The proposal calls for an increase of 52% for water revenues and 39% for sewer revenues.

This type of increase in a time when inflation is running at about 2% a year is totally uncalled for and without justification in the economic picture of today. We feel that the bulk of the increase is due to costs in their expansion plans that would make the area in which they serve worth more to their parent company, SunCor. In normal business development corporations fund the cost of their expansion by internal funding or the issuing of bonds, not from costs to their existing customers for services that they will never use. However in this case they are a monopoly governed by you the Corporation Commission, and we can not switch to another supplier if their costs get out of hand, as is possible in a normal business setting.

It is with this in mind that we ask you to stop this rate increase. We feel that with the expansion LPSCO is going through, that to burden us with an excessive rate increase is both unfair and uncalled for. Remember also, that a great number of their customers are retired and on fixed incomes.

We noted that in the West Valley View that Pebblecreek Properties reached and agreement that increases of 43 and 19.5 percent were acceptable. Pebblecreek

Arizona Corporation Commission
DOCKETED
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Properties is not the spokesman for the residents of Pebblecreek, as the residents and voters are, and we vote.

Thank you all for your attention to these concerns on this matter.

Sincerely,

Jim and Marian See (Retired)
15753 West Indianola
Goodyear, Arizona 85338
623-935-3571

Utilities' Response:

Utility not contacted.

Investigator's Comments and Disposition:

E-mailed following response -

Thank you for your comments regarding Litchfield Park Service Company ("LPSCO"). Your comments have been given to the AZ Corporation Commission's Docket Control to be placed in LPSCO's Docket File W-01427A-01-0487 so the Commissioners will have the opportunity to review them before a final decision is rendered.

CLOSED

Date Completed: 04/12/2002

Opinion **No.** 2002 - 15086

ORIGINAL

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Deborah Reagan **Phone:** (602) 364-0236 **Fax:** (602) 542-2129

Priority: Respond Within Five Days

Opinion **No.** 2002 - 15080 **Date:** 04/12/2002

Complaint Description: 08A Rate Case Items - Opposed/In Favor

Complaint By: **First:** Thomas & Shirley **Last:** Reid

Account Name: Thomas & Shirley Reid **Home:** (623) 536-1900

Street: 15364 W. Piccadilly Dr. **Work:** (000) 000-0000

City: Goodyear **CBR:**

State: AZ **Zip:** 85338 **is:**

Utility Company: Litchfield Park Service Company

Division:

Contact Name: Jerry G. West **Contact Phone:** (602) 935-9367

Nature of Complaint:

DOCKET W-01427A-01-0487

Received following e-mail -

To the Arizona Corporation Commission:
>
> Dear Commissioners,
>
> I would like to express my opposition to the rate application of
Litchfield
> Park Service Company (LPSCO) based on the following:
>
> The inflation since the last rate increase in 1998 has been generally only
> between 1 and 2% per annum. The timing for LPSCO's
> application for 52.01 percent increase in water revenues and 39.23 percent
> in sewer revenues is out of all proportion to the current economic
> conditions.
>
> LPSCO's explanation to its customers bases the application for water
> rate increases mainly on upgrading the system. It appears that this
> includes mainly expansion of the system to serve new customers in new
> subdivisions which are ongoing in the service area. Funding for expansion
> should not be borne by the existing customer base but by the developer
that
> needs the service. The developer has the ability to pass this cost on the
> future buyer of the property. This is how other water and sewer utilities
> handle expansion in other areas of the country. They do not expand their
> system at the expense of their present customers. The utility charges the
> developer or land owner who wants the service for their use. In this case

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the

>

> developer is the parent company of the utility and wants to pass the cost of

> expanding the system to the present customers so they can make a larger profit when they sell the land. This is unfair.

>

> LPSCO's application for 39.23 percent increase in sewer revenues similarly should be rejected. The main reason given by LPSCO is an upgrading of the system in 1996. This was most probably the reason used for

> the application also in 1998 for rate increases and does not appear to be a

> valid reason for another increase of this magnitude.

>

> I urge you to reject the application based on the current economic conditions and the improper reasons given by LPSCO for its application.

>

> Thank you for your consideration.

>

> Yours truly,

>

Thomas & Shirley Reid
15364 W. Piccadilly Dr
Goodyear, AZ 85338

>

> 623-536-1900

>

Utilities' Response:

Utility not contacted.

Investigator's Comments and Disposition:

E-mailed following response -

Thank you for your comments regarding Litchfield Park Service Company ("LPSCO"). Your comments have been given to the AZ Corporation Commission's Docket Control to be placed in LPSCO's Docket File W-01427A-01-0487 so the Commissioners will have the opportunity to review them before a final decision is rendered.

CLOSED

Date Completed: 04/12/2002

Opinion No. 2002 - 15080

ORIGINAL

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Deborah Reagan **Phone:** (602) 364-0236 **Fax:** (602) 542-2129

Priority: Respond Within Five Days

Opinion **No.** 2002 - 15082 **Date:** 04/12/2002

Complaint Description: 08A Rate Case Items - Opposed/In Favor

Complaint By: **First:** James & Sharon **Last:** Johnson

Account Name: James & Sharon Johnson **Home:** (623) 535-5580

Street: 15314 W. Piccadilly Rd. **Work:** (000) 000-0000

City: Goodyear **CBR:**

State: AZ **Zip:** 85338 **is:**

Utility Company: Litchfield Park Service Company

Division:
Contact Name: Jerry G. West **Contact Phone:** (602) 935-9367

Nature of Complaint:
DOCKET W-01427A-01-0487

Received following e-mail -
To the Arizona Corporation Commission:
Dear Commissioners,

I would like to express my opposition to the rate application of Litchfield Park Service Company (LPSCO) based on the following:

The inflation since the last rate increase in 1998 has been generally only between 1 and 2% per annum. The timing for LPSCO's application for 52.01 percent increase in water revenues and 39.23 percent in sewer revenues is out of all proportion to the current economic conditions.

LPSCO's explanation to its customers bases the application for water rate increases mainly on upgrading the system. It appears that this includes mainly expansion of the system to serve new customers in new subdivisions which are ongoing in the service area. Funding for expansion should not be borne by the existing customer base but by the developer that needs the service. The developer has the ability to pass this cost on the future buyer of the property. This is how other water and sewer utilities handle expansion in other areas of the country. They do not expand their system at the expense of their present customers. The utility charges the developer or land owner who wants the service for their use. In this case the developer is the parent company of the utility and wants to

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pass the cost of expanding the system to the present customers so they can make a larger profit when they sell the land. This is unfair.

LPSCO's application for 39.23 percent increase in sewer revenues similarly should be rejected. The main reason given by LPSCO is an upgrading of the system in 1996. This was most probably the reason used for the application also in 1998 for rate increases and does not appear to be a valid reason for another increase of this magnitude.

I urge you to reject the application based on the current economic conditions and the improper reasons given by LPSCO for its application.

Thank you for your consideration.

Yours truly,

James P. Johnson
15314 W. Piccadilly Rd.
Goodyear, AZ 85338

623 535-5580

Utilities' Response:

Utility not contacted.

Investigator's Comments and Disposition:

E-mailed following response -

Thank you for your comments regarding Litchfield Park Service Company ("LPSCO"). Your comments have been given to the AZ Corporation Commission's Docket Control to be placed in LPSCO's Docket File W-01427A-01-0487 so the Commissioners will have the opportunity to review them before a final decision is rendered.

CLOSED

Date Completed: 04/12/2002

Opinion **No.** 2002 - 15082

ARIZONA CORPORATION COMMISSION
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Properties is not the spokesman for the residents of Pebblecreek, as the residents and voters are, and we vote.

Thank you all for your attention to these concerns on this matter.

Sincerely,

Arnold and Arline Cronquist (Retired)
15757 West Indianola
Goodyear, Az
623-935-1833

Utilities' Response:

Utility not contacted.

Investigator's Comments and Disposition:

E-mailed following response -

Thank you for your comments regarding Litchfield Park Service Company ("LPSCO"). Your comments have been given to the AZ Corporation Commission's Docket Control to be placed in LPSCO's Docket File W-01427A-01-0487 so the Commissioners will have the opportunity to review them before a final decision is rendered.

CLOSED

Date Completed: 04/12/2002

Opinion **No.** 2002 - 15085

ARIZONA CORPORATION COMMISSION ORIGINAL

UTILITY COMPLAINT FORM

Investigator: Deborah Reagan **Phone:** (602) 364-0236 **Fax:** (602) 542-2129

Priority: Respond Within Five Days

Opinion No. 2002 - 15084 Date: 04/12/2002

Complaint Description: 08A Rate Case Items - Opposed/In Favor

Complaint By: **First:** John J. **Last:** Campbell

Account Name: John J. Campbell **Home:** (000) 000-0000

Street: 15068 W. Pinchot Avenue **Work:** (000) 000-0000

City: Goodyear **CBR:**

State: AZ **Zip:** 85338 **is:**

Utility Company: Litchfield Park Service Company

Division:

Contact Name: Jerry G. West **Contact Phone:** (602) 935-9367

Nature of Complaint:

DOCKET W-01427A-01-0487

Received following e-mail -

I am adding one more letter of protest to those your office has received in the matter of a rate increase requested by the Litchfield Park Service Co (LPSCO).

Inflation since 1998, when the LPSCO last increased water and sewer rates, has been between one and two percent per annum. A water rate increase of 52.01 percent and sewer rate increase of 39.23 percent is totally out of proportion to current economic conditions.

In the past, utilities have passed on the cost of expansion to the new property owners who benefit from the expansion. Apparently, LPSCO is attempting to make current subscribers bear the cost of recent and projected upgrades to its systems.

LPSCO may be asking for more money than it expects to be awarded, an oft-used ploy in the history of many utilities. In that case, the application should be rejected and the company required to submit clearer justification for its request.

It might be beneficial to submit the company's audited financial statements to a different auditor for verification.

I urge the Arizona Corporation Commission to analyze with care the request for an enormous rate increase for the 6500 residents who are current LPSCO

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customers.

I live in the Pebble Creek area of Goodyear, Arizona and I am opposed to the proposed increase along with all residents of our area.

Sincerely,

John J Campbell
15068 W Pinchot Avenue
Goodyear, AZ 85338

Utilities' Response:

Utility not contacted.

Investigator's Comments and Disposition:

E-mailed following response -

Thank you for your comments regarding Litchfield Park Service Company ("LPSCO"). Your comments have been given to the AZ Corporation Commission's Docket Control to be placed in LPSCO's Docket File W-01427A-01-0487 so the Commissioners will have the opportunity to review them before a final decision is rendered.

CLOSED

Date Completed: 04/12/2002

Opinion **No.** 2002 - 15084