

SW-02519A-06-0015

ORIGINAL



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ARIZONA CORPORATION COMMISS
UTILITY COMPLAINT FORM

4700

Investigator: Trisha Meeter

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2006 - 53275

Date: 6/27/2006

Complaint Description: 08A Rate Case Items - Opposed

First:

Last:

Complaint By: Herbert W.

McCoy

Account Name: Herbert W. McCoy

Home: [REDACTED]

Street: [REDACTED]

Work:

City: [REDACTED]

CBR:

State: [REDACTED]

Zip: [REDACTED]

is:

Utility Company: Gold Canyon Sewer Company

Division: Sewer

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

06/26/06

Docket # SW-02519A-06-0015

Petition Protesting Proposed Sewer Rate In crease

The following letter is circulating in Montesa, seeking your signature. Print out letter, sign and mail to Herb McCoy #76

June 5, 2006

The Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Subject: Complaint of Gold Canyon Sewer Company (GCSC) proposed rate increase

Reference: Docket No. SW-02519A-06-0015

Attention: Mr. Jeff Hatch-Miller, Chairman

Dear Mr. Hatch-Miller:

The undersigned residents of Montesa at Gold Canyon, herewith file our complaint against the Gold Canyon Sewer Company (GCSC) for their proposed rate increase. We are basing our complaint on the following:

We have downloaded and reviewed the Water Infrastructure Finance Authority of Arizona (WIFA) "2005 Water and Wastewater Residential Rate Survey for the State of Arizona." Exhibit H, page 18 of subject report indicates the median monthly charge for Investor owned wastewater systems is \$30.50 monthly. This is 86% greater than Municipal owned systems (\$16.34).

With specific reference to the GCSC proposed rate increase:

1. GCSC has not performed as promised by abating noxious odors.

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2. GCSC has not kept its stated promise of no near future rate increases.
3. GCSC current rate of \$35.00 per month is,
 - a. 14.75% greater than the median for Investor owned systems;
 - b. 54% greater than the median for operations with annual revenues of \$1M to \$5M (GCSC is \$2M);
 - c. 105% greater than the median for operations with 1000 to 5000 connections (GCSC has 4463) and
 - d. 75% greater than the median for Pinal County.

It is our belief that the current monthly fee of \$35.00 is already out of line with comparable demographics. Nearly 50% of our current 247 residential dwellings are occupied by Winter Visitors.

This means that only about 124 residential dwellings are using the wastewater system all year. The Winter Visitors continue to pay the full \$35.00 monthly even they only use the wastewater system approximately six (6) of the year.

Most of the residence of Montesa come from areas where their wastewater systems were municipally owned and were financed by the issuance of Bonds which are generally repaid over a thirty (30) years. For most of us this is our first experience with and Investor owned wastewater system.

With the research that we have done, we believe that you as Chairman of the Arizona Corporation Commission (ACC) and your colleagues on the Commission should deny the GCSC request for a rate increase and hold them to their word about no near or future rate increases.

Your consideration of the above points in this matter would be in the best interests of those you represent.

Sincerely,
Herbert W. McCoy



cc: ACC Member William A. Mundell
ACC Member Marc Splizer
ACC Member Mike Gleason
ACC Member Kristin A. Mayer

We are Montesa residents only a few months of the year and still pay \$31.84 per month year round whether or not we are there and using our sewer. Not Fair!!

Marwood and Marion Rude



End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

06/26/06
Docket # SW02519A-06-0015
June 27, 2006

RE: GOLD CANYON SEWER COMPANY

Dear Mr. McCoy:

Your letter regarding the Gold Canyon Sewer Company ("GCSC") rate case will be placed on file with the

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Docket Control Center of the Arizona Corporation Commission ("Commission") to be made part of the record. The Commission will consider your comments before a decision is rendered in the GCSC application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase. If you should have any questions relating to this issue, please contact me directly at [REDACTED] or toll free within the state at (800)222-7000.

Sincerely,
Trish Meeter

[REDACTED]
Consumer Service Specialist

Utilities Division

End of Comments

Date Completed: 6/27/2006

Opinion No. 2006 - 53275
