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ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

4700

Investigator: Brad Morton

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2006 - 55138

Date: 9/8/2006

Complaint Description: 08A Rate Case Items - Opposed

First:

Last:

Complaint By: Cynthia

Cannazzaro

Account Name: Cynthia Cannazzaro

Home: (480) 000-0000

Street: [REDACTED]

Work:

City: Gold Canyon

CBR:

State: AZ Zip: 85218

is:

RECEIVED
2006 SEP -8 P 3:15
AZ CORP COMMISSION
DOCUMENT CONTROL

Utility Company: Gold Canyon Sewer Company

Division: Sewer

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

Docket No SW 02519A-06-0015

Dear Mr. HatchMiller:

As a resident of Gold Canyon, Arizona and a customer of the Gold Canyon Sewer Company (GCS(this is being written in opposition to the GCSC's request to increase our cost from \$35 to \$70.34 per month fix my residential sewer service.

I cannot find any justification for such an increase. In fact, I wonder how GCSC can justify its \$35. monthly charge. In the year 2005 water usage charge for our residence were approximately \$300 1 GCSC charges us \$420 to discharge it through the sewer system. I believe the \$35 per month charge is already exorbitant The GCSC odor problem has not been resolved. The odor is apparent on the golf course adjacent to the sewer plant and also at Basha's store next to it and on Hwy 60 when passing by.

I understand that GCSC's charter or grant to do business in Gold Canyon allows them to earn a 10% t. If that is correct, I believe the commission should audit GCSC's books and determine if they are currently realizing a profit on the \$35 per month charge.

CC: Commissioners Kristin K. Mayes, William Mwaldl, Man Spitzer, Mike Gleason, Apache Junction Gold Canyon Independent, Apache Junction News, Sandia Smith, Pinal County Supervisor Dennis Gibson, MBV Homeowners Assoc.

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Arizona Corporation Commission
DOCKETED
SEP 08 2006

DOCKETED BY []

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

September 8, 2006

RE: GOLD CANYON SEWER COMPANY

Dear Sewer Customer:

Your letter regarding the Gold Canyon Sewer Company ("GCSC") rate case will be placed on file with the 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 call me toll free at (800) 222-7000.

Sincerely,

Bradley G. Morton
Public utilities Consumer Analyst II
Utilities Division
End of Comments

Date Completed: 9/8/2006

Opinion No. 2006 - 55138

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Brad Morton

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2006 - 55137

Date: 9/8/2006

Complaint Description: 08A Rate Case Items - Opposed

Complaint By: First: Brent Last: Appelgren

Account Name: Brent Appelgren Home: [REDACTED]

Street: [REDACTED] Work:

City: Gold Canyon CBR:

State: AZ Zip: 85218 is:

Utility Company: Gold Canyon Sewer Company

Division: Sewer

Contact Name: [REDACTED] Contact Phone: [REDACTED]

Nature of Complaint:

Docket No SW 02519A-06-0015

Brent C. Appelgren
[REDACTED]
Superstition Mountain, Arizona 85218-1805
[REDACTED]

September 8, 2006

Arizona Corporation Commission
Utilities Division
Consumer Services
1200 West Washington
Phoenix, AZ 85007-2996

Re: Gold Canyon Sewer Corporation Rate Hike Request

Dear Commissioners:

I recently bought a retirement home in Gold Canyon last November. At that time, I believed that the monthly sewer costs were much higher in this area than they should have been. The rate of \$35 per month greatly exceeded any sewer costs that I have paid in a number of prior residences in Arizona and in Seattle. Imagine my surprise when I discovered that the Gold Canyon Sewer Corporation ("GCSC") requested a 101 percent increase to the already excessive monthly fee.

After reviewing the history of this project and the representations made by Trevor Hill, the president of the holding company owning GCSC in 2003, when funds were expended for expansion, it seems clear that the ACC should deny this request. I understand that representations were made orally and in writing, on GCSC

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

letterhead, that further rate increases would not be requested for at least 5 years and that expenditures would be recouped through paid in capital and development hookup fees. Now GCSC disingenuously asserts that the former President of its holding company was not authorized to make such representations. Mr. Hill, was in the Gold Canyon area for the express purpose of selling the public on a sewer expansion. He had the apparent authority if not the actual authority to speak on behalf of GCSC on these issues. If the holding company President does not have the authority to speak for the company, who possibly could!

Gold Canyon is a beautiful place to live, but the costs of maintaining a residence in this area are extremely high. Real estate taxes exceed 1% of fair market value and are much higher than any other area of the Phoenix Metro area - nearly twice as much as even the high tax rates in Scottsdale. I recently received my new tax bill and witnessed another 7% increase over the already lofty tax payments of last year. Any additional rate increase for sewer costs would be too much burden for Gold Canyon residents to bear - \$420 additional per year would be preposterous. A significant portion of the residents in this area are retirees and live on fixed incomes.

I urge you to decline the rate request sought by GCSC and to allow them no additional monthly fees. The fees are already too high and it appears that GCSC was imprudent in many aspects of this project in the past. They should not be rewarded for poor investment decisions, mismanagement, and improper budgeting. They certainly should not be allowed to go back on the promises made by their highest official in seeking prior expansion.

Your careful consideration of the plight of the residents of Gold Canyon on these issues will be greatly appreciated.

Sincerely,

Brent Appelgren
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

From: Bradley Morton
Sent: Friday, September 08, 2006 7:08 AM
To: 'Brent Appelgren'
Subject: RE: Gold Canyon Sewer Rate Request

Dear Mr Appelgren,

I am in receipt of your opinion regarding the Gold Canyon Sewer Company rate case and will docket it so it is part of the case and the Commissioners will be aware of your concerns. If I can be of further assistance please contact me.

Sincerely,

Brad Morton
Public Utilities Consumer Analyst II
End of Comments

Date Completed: 9/8/2006