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MEMORANDUM

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Arizona Corporation Commission
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JUN 27 2003

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TO: Docket Control
 Arizona Corporation Commission

FROM: Ernest G. Johnson, Esq. Director
 Utilities Division

DATE: June 27, 2003

W-03263A-00-0470
 W-03263A-00-0525
 W-03263A-00-0543
 W-03263A-00-0555
 W-03263A-00-0593
 W-03263A-00-0602
 W-03263A-00-0666
 W-03263A-00-0754
 W-03263A-00-0803
 W-03263A-00-0853
 W-03263A-00-0941

RE: REQUEST FORMAL COMPLAINTS FOR ADMINISTRATIVE CLOSURE-DIAMOND VALLEY WATER USER'S CORP.

Staff is submitting a list of the nine Docket Numbers and requesting administrative closure to nine (9) of the formal complaints. Two complainants requested their formal complaints remain open because of certain issues that were not addressed with the owner of the utility company. One complainant submitted a letter explaining the reasons and the second complainant provided her verbal opinion of reasons reflected in this memorandum. Based on Staff's telephone conversation with Management for Diamond Valley Water User's Corp. ("Diamond Valley"), all complainant accounts are current in the payment of bills. The Arizona Corporation Commission appointed Bradshaw Management Corporation ("Bradshaw") as the interim Manager of the Diamond Valley. Bradshaw oversees all the operations and billing for the customers receiving service from Diamond Valley.

Staff called all the complainants' telephone numbers listed on the complaint form for the purpose of speaking with the complainant and to request their disposition on whether the formal complaint could be administratively closed. During Staff's conversation with the complainants, they commented that the service provided by Bradshaw management is excellent and monthly billings are received timely.

Docket No. W-03263A-00-0941 (Formal complaint by Lynn and Judy Sullins)
 On May 21, 2003, Staff called complainant's telephone number (928-445-1117) listed on the formal complaint and spoke with Ms. Sullins on the administrative closure. Ms. Sullins advised that the file be closed. Staff requests administrative closure.

Docket No. W-03263A-00-0853 (Formal complaint by John Olvera)
 On May 21, 2003, Staff called complainant's telephone number (928-445-9093) listed on the formal complaint form and spoke with Mr. Olvera and complainant gave his verbal permission to administratively close the formal complaint. Staff requests administrative closure.

Docket No. W-03263A-00-0555 (Formal complaint by Arthur and Peggy Roper)

On May 22, 2003, Staff called complainant's telephone number (928-771-9121) listed on the formal complaint and spoke with Peggy Roper and the complainant gave her verbal permission to administratively close the formal complaint. Staff requests administrative closure.

Docket No. W-03263A-00-0543 (Formal complaint by Elinor Binler)

On May 21, 2003, Staff called complainant's telephone number (928-778-2105) listed on the formal complaint and spoke with Ms. Binler and the complainant gave her verbal permission to administratively close the formal complaint. Staff request administrative closure.

Docket No. W-03263A-00-0593 (Formal complaint by Dale and Donna Berenbrock)

On May 22, 2003, Staff called complainant's telephone number (928-717-1484) listed on the formal complaint and spoke with Donna Berenbrock. Staff explained the purpose of the call and Ms. Berenbrock advised that she wants her portion of the formal complaint remain opened, however she cannot speak for Dale Berenbrock (husband) because they are separated. Ms. Berenbrock indicated that she did not think she would submit a letter to the Commission requesting the file remain open since she verbally advised Staff of her request.

Docket No. W-03263A-00-0602 (Formal complaint by Ludmila & James Devlin)

On May 21, 2003, Staff called complainant's telephone number (928-778-2938) listed on the formal complaint and spoke to Mrs. Devlin and the complainant gave her verbal permission to administratively close the formal complaint. Staff requests administrative closure.

Docket No. W-03263A-00-0666 (Formal complaint by Tammi Love)

On May 21, 2003, Staff called complainants home telephone number (928-777-2458) and left a message on her voice mail requesting a return call. Staff provided the Commission's toll free number 1-800-22-7000 and 0847 extension to call. Staff explained that the purpose of the call was to obtain the complainants disposition on whether the formal complaint can be administratively closed. Staff request administrative closure to complaint since customer did not respond to Staff's telephone call.

Docket No. W-03263A-00-0754 (Formal complaint by Vivian T. Whitt)

On May 21, 2003, Staff called the complainants home telephone number (928-777-2458) and left message with Mr. Dykman for Ms. Whitt to return Staff's call. Staff provided the Commission's toll free number 1-800-222-7000 and 0847 extension to call. Staff explained that the purpose of the call was to obtain the complainants disposition on whether the formal complaint can be administratively closed. Staff request administrative closure to complaint since customer did not respond to Staff's telephone call.

Docket No. W-03263A-00-0803 (Formal complaint by Charles Lawson)

On May 21, 2003, Staff called the complainants home telephone number (928-776-2422) and recording activates advising caller that the number has been disconnected. Staff contacted Facility Group (Billing Company for Diamond Valley) and their records reflect the same telephone number that is listed on the formal complaint form. Staff recommends that the formal complaint be administratively closed since customer is current with all of his bills and the complaint was associated with a billing dispute.

Docket No. W-03263A-00-0470 (Formal complaint by Kevin Greif)

On May 22, 2003, Staff called complainants home telephone number (928-776-2422) listed on the formal complaint form and spoke with Mrs. Greif and she advised that the formal complaint remain opened for reasons stated in the attached e-mail from the complainant.

Docket No. W-03263A-00-0525 (Formal complaint by Calvin and Tonya Knock)

On May 22, 2003, Staff called complainants home telephone number (928-778-9733) listed on the formal complaint form and left message requesting whether the complainant wishes to close the formal complaint administratively. Staff provided the Commission's toll free number 1-800-222-7000 and extension. Staff requests administrative closure to formal complaint since customer did not respond to Staff's telephone call.

Originator: Joan A. Ruf

Attachment

From: "kevin greif" <k_greif@hotmail.com>
To: ACC.UTIL(JAR)
Date: 5/25/03 12:11PM
Subject: Kevin Greif / Diamond Valley Water Users Corporation complaint

To: Ms. Joan Ruf
Arizona Corporation Commission
Phoenix, AZ 85007

From: Kevin Greif
1140 N. Opal Drive
Prescott, AZ 86303

RE: Docket No. W-3263A-00-0470 Filed Date 7/5/2000

May 25, 2003

Dear Ms. Ruf

On May 22, 2003 you again requested that we close our formal complaint against Diamond Valley Water Users Corporation. The problems I identified in June of 2000 have yet to be corrected.

I am still waiting to receive a copy of the "recommended resolution" letter that was supposed to be prepared after my mediation hearing in 2000. I requested a copy of this document in January of 2001.

In an email dated November 7, 2000 you stated that you were aware of improper billing by the Diamond Valley Water Users Corporation of many customers. My formal complaint of 6/28/00 made it quite clear that the billing problems affected most, if not all, of the customers in the area.

Not a single customer of Diamond Valley Water Users Corporation has received a refund for these overcharges. I have yet to get any statement from the DVWUC or the Corporation Commission stating that the outstanding balances on the old bills have been corrected or forgiven.

The current management company is paying off outstanding balances due Prescott Valley that were incurred prior to their installation by the Corporation Commission. The funds being used should instead be made available for system improvements.

The corporate status of the Diamond Valley Water Users Corporation remains unclear, and the ownership of company assets has not been clarified. According to a letter from Melissa C. Hawkins, ACC Records Manager, dated February 14, 2003, the DVWUC was Administratively Dissolved on 4/28/03. It is unclear what happened to the assets owned by the Corporation.

Any prosecution or recovery by the Yavapai County Attorney is going nowhere due to the lack of progress in the investigation of the DVWUC by the Corporation Commission.

Article 15 Section 3 of the Arizona Constitution states that the Corporation Commission has the power to, "prescribe the forms of contracts and the systems of keeping accounts to be used by such corporations in transacting

such business, and make and enforce reasonable rules, regulations, and orders for the convenience, comfort, and safety, and the preservation of the health, of the employees and patrons of such corporations."

Please let me know what accounting practices have been prescribed by the ACC to protect the patrons of this water company from the kind of fraud and mismanagement we have experienced in the past.

There are still many unresolved issues relating to this situation. I am interested in any information that you have regarding the resolution of these problems. Please address these problems before you again ask me to drop my complaint.

Sincerely,

Kevin Greif

CC: CC.SMTP("kbennett@azleg.state.az.us"),CC.UTIL(admindiv)