

Docket No. W-20453A-06-0247, W-20454A-06-0248, W-20453A-06-0251, W-20454A-06-0251
W-01646A-06-0251, W-01868A-06-0251, W-02235A-06-0251, W-02316A-06-0251,
W-02230A-06-0251, W-01629A-06-0251 and W-02240A-06-0251



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ORIGINAL

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM RECEIVED

Investigator: Guadalupe Ortiz

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

AZ CORP COMMISSION
DOCKET CONTROL

Date: 6/24/2008

Opinion No. 2008 - 69532

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: **Ken Wendt**

Account Name: Ken Wendt

Home: [REDACTED]

Street: [REDACTED]

Work:

City: Whetstone

CBR:

State: AZ **Zip:** [REDACTED]

is:

Utility Company: Northern Sunrise

Division: Water

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

REFERRED FROM CHAIRMAN GLEASON'S OFFICE (ALSO SENT TO COMMISSIONER MAYES,
MUNDELL, HATCH-MILLER & PIERCE)

6/24/2008 - Email Received:

RE: Docket No. W-20453A-06-0247
W-20454A-06-0248
W-20453A-06-0251
W-20454A-06-0251
W-01646A-06-0251
W-01868A-06-0251
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W-02230A-06-0251
W-01629A-06-0251
W-02240A-06-0251

Arizona Corporation Commission
DOCKETED
JUL -1 2008

DOCKETED BY [Signature]

-----Original Message-----

From: ken wendt [mailto:[REDACTED]]
Sent: Tuesday, June 24, 2008 11:05 AM
To: Utilities Div - Mailbox
Cc: Mayes-WebEmail; Mundell-Web; Gleason-WebEmail; Hatch-WebEmail; Pierce-Web
Subject: Algonquin Request for Extension

I attended the meeting in Sierra Vista last night regard Docket Numbers
W-20453A-06-0247 and W-20454A-06-0248.

Unfortunately I became ill and could not stay for the entire meeting and present my views on the subject. Below

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is a summary of the comments I would have made, had I been able to stay away from the Men's Room.

Thank you.....Ken Wendt, [REDACTED]

This extension has been touted as necessary to correct deficiencies in the areas to be serviced by the water companies that Algonquin took over from the bankrupt McClain Corporation. Nothing could be further from the truth. A couple of glaring examples, with regards to the Northern Sunrise Water Company, are the inclusion of the properties previously known as the Babocomari Land Grant and the entire area west of SR 90 and south of SR 82. Neither were ever serviced by any of the McClain water companies.

I reside in the Coronado Estates Water Company service area and will limit my comments to the problems associated with that facet of the Algonquin request. First off when Algonquin took over the McClain water companies, the ACC had already issued a moratorium on any new hookups until such time that a series of repairs and upgrades were accomplished.

To the best of my knowledge, that moratorium is still in effect.

1st Case in point. The ACC Judges order was issued in November of 2005. Any new construction after that order could not be hooked into the Coronado Estates Water System. In fact, new homes were constructed on Birch Street in Coronado Estates in 2005, 2006 and 2007 ((on parcels 106-25-14B, 106-25-14C, and 106-25-14D)). These five (5) new homes were not allowed to hook up to the Coronado Estates Water System and had to drill private wells. Then in March of 2007, a party purchased parcel 106-24-69 and built a duplex. In May of 2007, some 18 months after the moratorium order was issued, Algonquin installed water lines to service the property. When questioned, all concerned including Cochise County, Algonquin and the ACC, claimed that the service and the water lines were in place and the building permit issued prior to the moratorium. One lied and the others swore to it. I personally watched the water line installation and talked to the personnel doing the work in May of 2007.

2nd Case in point. Algonquin has a CCN for portions of the Babocomari Ranch properties in spite of the rezoning approval for the area based on the Whetstone Water Improvement District operating and managing the water distribution in the areas to be developed. In addition, Algonquin was issued the CCN stating no new well would be drilled and that the area would be serviced by the existing Coronado Estates Water Company system. The same system that has a moratorium on new hookups.

3rd Case in point. In January of 2008, this year, Algonquin received a permit to drill a well on parcel 106-15-045A, in the Babocomari Ranch service area, this despite the CCN approval based on no new well. According to ADWR records, the well is some 700' deep +/- capable of pumping some 700 GPM. Problem is that the well is open to the elements and has not been capped, equipped with a pump or sealed as required by ADWR Regulation 12-15-815. Attached is a picture of the well site in question.

Each of these items individually can be construed as major or trivial, depending on your perspective. But the three together show that Algonquin operates with complete and utter disregard for rules and regulations. These examples only pertain to the Coronado Estates Water Company. I am sure there are similar examples of incompetence, deceit and violation of rules and regulations in each of the other 7 former McClain water company service areas.

I strongly urge the Commission to deny this request, at least until Algonquin lives up to its end of the bargain and completes the repairs and upgrades called for by you some two plus years ago. Then and only then should Algonquin even be considered as a water provider in the additional areas these dockets are aimed at.

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End of Complaint

Utilities' Response:

n/a

End of Response

Investigator's Comments and Disposition:

Email to Customer:

RE: Southern Sunrise Water Company
Docket No. W-20454A-06-0248

Northern Sunrise Water Company
Docket No. W-20453A-06-0247

Dear Wendt,

Your email dated June 24, 2008 regarding the Southern Sunrise Water Company ("Southern Sunrise") and Northern Sunrise Water Company ("Northern Sunrise") rate case's sent to the Arizona Corporation Commission ("Commission") and copied to Chairman Gleason, Commissioner Mayes, Mundell, Hatch-Miller and Pierce has been received. A opinion will be placed on file with the Docket Control Center of the Commission to be made part of the record. The Commission will take your comments into consideration before a decision is rendered in the Southern Sunrise and Northern Sunris rate application's.

Concerns raised from customers whom are affected by the company's request, will assist the Commission within 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.

Commission staff appreciates the time you have taken to express your comments and concerns on the proposed rate increase's. If you should have any questions relating to this issue, please call me toll free at (800) 222-7000 or directly at [REDACTED]

Thank you,

Guadalupe Ortiz
Public Utilities Consumer Analyst
Arizona Corporation Commission
Utilities Division
[REDACTED]

CLOSED
End of Comments

Date Completed: 6/26/2008

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When the commission approved [redacted] don't think they were aware of their own rules on water. The tariff states that a minimum charge of \$31 will be charged for availability of service and no usage will be included. This tariff should not have been approved unless the commission first changed their rules.

Third according to R-14-2-402 Certificate of Convenience and Necessity for water utilities; abandonment.

C. additions/extensions to outside existing certificates of convenience and necessity

1. Each utility which proposes to extend utility service to a location not within its certificated service area, but located in a non-certificated area contiguous to its certificated service area, shall prior to the extensions of service, notify the commission of such service extensions. Such notifications shall be in writing and shall be verified and shall set forth, at a minimum, the number of person's or entities proposed to be served by such service extensions, their location in relation to the certificated area of the utility and a statement of the utility that the service extension is to a non-certificated area which is contiguous to its certificated area. Where emergency service is required to be provided to a customer in a non-certificated area contiguous to the utility certificated area. The utility shall advise the Commission simultaneously of such extension and the written notification shall set forth the nature and extent of the emergency.

This is a request for a service extension, Northern Sunrise has not provided or do they even know the number of person's or entities proposed to be served by such service extension. Also I see no emergency need for this extension to their current CCN. If however a applicant applied for water service outside the current CCN Northern Sunrise may have a claim to extend their service. I have read the docket for the extension, has anyone from the commission verified were these customers who are located out of the current CCN are located, and if in fact they are current customers.

Fourth the utility report or consumer confidence report "CCR" which is required to comply with the Safe Drinking water act, United states environmental protection agency and the Arizona department of environmental quality, that Northern Sunrise Water company sent out in June of 2008, on page 2 they say that the sierra sunset system obtains water from one well. And that the Coronado System obtains water from one well, but this cannot be the same well as the test results on page 4 in table 1 (Coronado) and table 3 (Sierra Sunset) have different levels that were detected. Their own report shows that the two systems are not interconnected as they claimed when they applied for this extension. Also on page 5 table 4 2008 Consumer Confidence Report Water Quality Data, Northern sunrise provided me a list of non-detected contaminants from the most recent sampling period of water provided by Rio Rico Utilities, when in fact they were to provide that same data for the water that they provide to me the most recent sampling period of water provided by northern Sunrise not Rio Rico Utilities. This does not give the consumer much confidence in a Company, when that company provides this sort of information or misinformation in a report that is required by 2 governmental agencies and one act of congress.

Fifth northern sunrise when they applied for this extension claimed improvements to the mustang heights and other systems were complete when in fact they were not. They claimed that they had enclosed the mustang heights well in a 6 foot high fence with barbed wire on top and a gate. They filed this claim in January of 2008 and in fact the fence did not go up until early may of 2008 and the gate not installed till late may 2008. They claimed that the mustang and crystal systems were in fact interconnected, this is true now that they interconnected them along the north side of Highway 82, but they were not interconnected when they first took the system over. I drive by the mustang well every day to and from work this is how I know this and I saw them working along the north side of Highway 82 when they in fact interconnected the 2 systems. They claimed that they had started chlorinating the water provided this claim was filed in January 2008 when they applied for this extension, when as late as May they had no chemical feed located inside the mustang well area as they had no fence or gate at that time and I could easily look in as I drove by.

In conclusion my opinion is that Northern Sunrise should not be granted an extension to their current CCN the commission should make them complete all improvements set forth by this commission. The current application for extension allows them to forego or put off certain improvements that the commission ordered them to make and gives them a longer period of time to charge the current rates that are unjust and do not follow the rules set forth by this very commission. I have cited laws and rules and provided information given by northern sunrise themselves (Coronado and Sierra Systems are not interconnected) that you cannot believe

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what they say, everything must be verified. I ask this Commission to deny the application for extension and make Northern Sunrise provide Quality service to the customers they currently have and make the improvements that the commission has already ordered northern sunrise to complete and set permanent rates using last year as a test year, or the period that was agreed upon in the original application for a CCN by Northern Sunrise.

Respectfully Submitted

Robert Salazar
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

opinion docketed
End of Comments

Date Completed: 6/27/2008

Opinion No. 2008 - 69633
