

ORIGINAL



0000079096

06

7345 W. Veda Lane - Wilhoit
Kirkland, Arizona 86332-6075
November 18, 2007

Phone: 928-442-2409
FAX: 928-442-2409 With Notice

Arizona Corporation Commission
Att: William A. Mundell
Gary Pierce
Kristin K. Mayes
1200 West Washington Street
Phoenix, Arizona 85007-2927

FAX: 1-602-542-2129

AZ CORP COMMISSION
DOCKET CONTROL

2007 NOV 20 A 9:44

RECEIVED

Arizona Corporation Commission
DOCKETED

NOV 20 2007

Re: Wilhoit Water Company, Thunderbird Meadows in Wilhoit, AZ
Official ACC staff present: Mayes and Pierce
Special Open Meeting: November 15, 2007 - Rate Increase
Docket No. W-02065A-07-0312 and W-02065A-07-0307 and
W-02065A-07-0306.

DOCKETED BY [signature]

Gentlemen:

We appreciated your taking time to conduct this meeting, and were impressed with the way it was handled. We also want to thank Ms. Mayes for making copies of material which presents important information. We have now had time to briefly study the report, and have a few comments. It is rare to encounter a situation in which the rumors were not nearly as bad as actual facts!

It is our hope that in view of the history of non-compliance on the part of the Company, the recommended steps to improve compliance will be closely monitored. It appears that in the past this Company has viewed the Arizona Corporation Commission as a toothless watchdog. We would encourage you to prove that a misconception on the part of Wilhoit Water Company.

Are we correct in interpreting Schedule JMM-10 as a projection (based on Staff recommendations) of what our bottom line monthly bills would be (minus taxes)? That is, does this reflect all of the Staff recommended increases in base rate, cost per gallon for water, and both Surcharges?

Currently Wilhoit Water is using approximately 6.34% as the tax rate. Is that a correct figure?

We recognize that the less water a customer uses, the greater percentage the base will represent. However, it seems to us as if it might be useful to have a system which charges a surcharge for excess use of water (say over 10,000 or 20,000 gallons?) and lowers costs a little for those who use under 3,000 gallons, at the same time providing an incentive for those who conserve water in a time of water shortage, and providing those who do not use care, an incentive of another type. As projected now, the greater the use of water, the lower the cost per gallon.

Since we, with some effort, use less than 3,000 gallons in recognition of the need to use as little water as possible in present circumstances, it is disturbing that the users of excessive amounts of water pay a smaller percentage of the cost per gallon. Many, including our high percentage of older retired folks, of necessity use less. Where there is plenty of water, lower rates for high use can provide a means of creating efficiency in capital equipment use and attract large companies. That would not be applicable in Wilhoit, though!

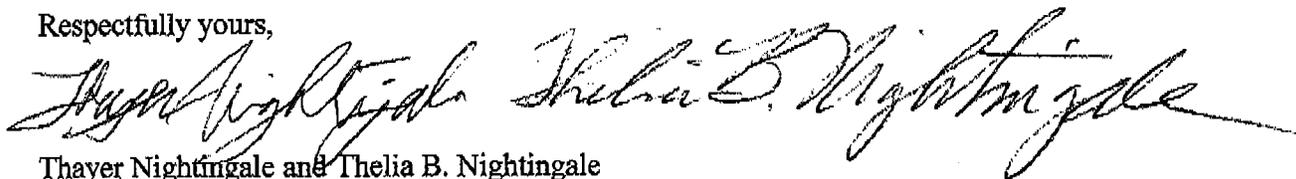
In Narrative, Section B, Page 2, second paragraph down, we read: "Staff believes that the most cost effective solution can be realized if Wilhoit and Walden work cooperatively and that such a solution could benefit both companies."

Exactly what does Staff have in mind? We would encourage a detailed outline of what is envisioned. We and other Thunderbird customers have made similar suggestions, but it has been said privately and in public meetings that some things are not allowed by taxing authorities because Walden Co-Op is non-profit, and Wilhoit Water Company is a for profit company. In addition, the president of Walden has said the Co-Op does not want to take over Thunderbird water system because bringing it's infrastructure up to code (which would be required if a transfer of ownership took place) would be prohibitively expensive for the Co-Op. Having been members of the Co-Op until recently, we are all disappointed that increasing costs continue to prevent the newly drilled well from being put into use. We would therefore appreciate knowing how the Staff believes that Wilhoit and Walden can work cooperatively, and legally, toward a solution?

Although the costs of doing what should have been done long ago are high, we are encouraged to see that the ACC has worded things in a manner which would make the distribution of the surcharge funds contingent on their use in a timely manner and designates them for work on the capital equipment and improvements for which they are collected.

Hopefully someone will keep track of these expenditures as they are disbursed.

Respectfully yours,

A handwritten signature in cursive script, appearing to read "Thayer Nightingale and Thelia B. Nightingale". The signature is written in dark ink and is positioned above the printed names.

Thayer Nightingale and Thelia B. Nightingale

Page 1

Fax Cover Sheet

Nightingale
Phone 442-2409
Fax With Notice 442-2409

Kristin K. Mayes
GARY Pierce

Date: Nov. 19, 2007 Attention: William A. MUNDALL

Company Name: ARIZONA CORP. Commission

Fax 1-602-542-2129 Phone 1-800-222-7000

Regarding: Wilhoit Water Co, Thunderbird Meadows in
Wilhoit, AZ -- Open Meeting Nov. 15, 2007 - Proposed
rate increase.

Total pages including cover 3