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OPEN MEETING AGENDA ITEM

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Arizona Corporation Commission

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Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007-2927

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Subject: Exceptions to the Recommendations of the Administrative Law Judge with Respect To Matters Involving the Joint Petition From Arizona Public Service Company and Verizon California, Inc. to Establish an Underground Conversion Service Area for Hillcrest Bay Mobile Manor Subdivision, La Paz County, Arizona

- Reference:
1. Docket Numbers E-01345A-07-0663 and T-01846B-07-0663
 2. The Lorches' Two Lots, Lot 238 and Lot 239 in Hillcrest Bay Mobile Manor, Parcel Nos. 310-32-238 and 310-32-239, Respectively

Dear Commissioners:

Introduction

I have gone through the material Entitled "OPINION AND ORDER" and all its subsequent sections from the Administrative Law Judge Sarah N. Harpring regarding the "Subject" stated above which material I received May 20, 2008; consisting of 50 pages with attachments of a Service list and Exhibits A through D, with the first page dated January 18, 2008 and a cover letter dated May 16, 2008.

Per the cover letter, I am filing the following exceptions to the recommendations of the Administrative Law Judge stated in the "OPINION AND ORDER..." document.

1. In regard to listed item No. 149 that the Commission "must determine, after considering all objections, that the cost of conversion as reflected in the joint report prepared pursuant to §40-342 is economically and technically feasible... for the property owners affected.", no item was listed nor discussed (such as in the matters discussed in Numbers 153 and 154) regarding that Undergrounding of Utilities is the norm and has been required by Cities and Counties for many years dating back to the 1970's. My letter to the Arizona Corporation Commission dated January 5, 2008, Item No. 2 raises this fact.

There must be very good reasons for the undergrounding of utilities requirement and function by most all jurisdictions, cities, counties, etc., but is not addressed by the Administrative Law Judge. I take exception to the fact that the undergrounding of utilities was not evaluated as a benefit therewith and request the Commission to find that undergrounding of utilities is a benefit of significance to Hillcrest Bay Mobile Manor and its property owners (as all the jurisdictions, cities, counties, etc. requiring it do). I request that appropriate benefits language be added into Items 149 and 156 as found in Cities and Counties undergrounding laws and requirements.

2. I take exception with listed Item 157 in that it does not consider that a) the private costs to do such undergrounding of utilities as in the proposed UCSA would probably more than triple if the UCSA is not formed and approved as proposed, but also b) the obvious that under statute requirements a large majority of property owners in Hillcrest Bay Mobile Manor support and voted for it. Although not everyone is in favor, this formation and approval meets the law and also is like many, if not most all, of similar activities and actions as our public voting matters such as propositions, past and present on ballots, with cost consequences for basically everyone voting and/or involved. I request the Commission determine that even though the financing plan does not ameliorate the situation with regard to the private costs, that it is the best, if not only, deal and opportunity at this time, and probably into the foreseeable future, to minimize private costs for doing what the proposed UCSA does and that this best current private property cost is a significant benefit of, and to, the current petition.
3. I take exception to listed Item 158 in that, although providing income information, this item is not complete nor thorough enough to evaluate the cost burden and/or ability to pay the private assessment and/or a monthly payment therewith over 15 years at the proposed interest rate. What is missing is finding out and evaluating, specifically, who are and how many are there of the low income, the poor and (as stated in item 158) "probably very poor" parcel/lot owners claiming the private assessment would force them out of their homes. The Administrative Law Judge could have and maybe should have asked for these people to verify their inability to afford the private assessment(s) allocated to their parcel/lot in the proposed UCSA. There must be agencies or groups with forms and the means to assist, inquire, and validate the ability of the poor persons to pay their assessment(s) and provide this information to the Administrative law Judge and/or Arizona Corporation Commission/Staff.

Evidence needs to be determined as to the assets, properties, money in savings, stocks and bonds etc. and the income and expenditures/expenses of the low income, poor and "probably very poor" households claiming they cannot afford the proposed UCSA private assessment costs on their Parcel(s)/Lot(s). And likewise, for those claiming that they would be forced out of their homes if required to pay their proposed parcel/lot assessments in the proposed UCSA. Once seen by the Administrative Law Judge and/or the Arizona Corporation Commission, or ACC staff or other qualified entity to evaluate as to the expenditures of the above households and if getting any financial assistance is needed, then it can be determined as to how many Parcels/lots/households really don't have the ability to pay their proposed UCSA assessment or payments - and then what additional financial assistance is available or could be/can be provided to those with real financial hardship!

Until, the above is done, the data and analysis in the Administrative Law Judges' "OPINION AND ORDER" on Item 158, is not complete to state a burden, or amount of burden.

4. I take exception to Listed item 159 statement that the burdens far outweigh the benefits in that the basis for stating this herein is not proven, is too subjective and especially as relates to the lack of real financial data to determine real and permanent, non-resolvable financial hardship to UCSA property owners to try to state that the cost of conversion is not economically feasible for the property owners affected, especially considering numbers 2 and 3 above.

5. In the "CONCLUSIONS AND LAW" Section, I take exception to Number 19 as stated in my number 3 above that not enough data has been obtained nor requested regarding real financial hardship and inability to afford and/or pay UCSA private assessments nor have sufficient financial assistance efforts been requested and/or made to determine both who and how much is needed and to see if these can be resolved. As such, the statement that "The cost of conversion is not economically feasible for the property owners affected", in my opinion, can not be stated.

6. In the "CONCLUSIONS AND LAW" Section, I take exception to Number 21 in that, in my opinion, there have not been stated in the document definitive facts to make the statement of recommendation for denial nor also of the statement at the end of Item 159 "that it is clear that the benefits are far outweighed by the burdens..." I thought this was a typographical error. I believe that the opposite is true – that the benefits far outweigh the burdens, that the proposed UCSA is economically and technically feasible and that issues raised here (particularly financial hardship to property owners) and used as a basis for the Administrative Law Judges' recommendation here for denial can be addressed and resolved to the satisfaction of the Commission. However, addressing these will take some time and effort.

I thank the Arizona Corporation Commission for its consideration of my exceptions and to please motion and vote in favor of the Petition for the UCSA.

Thomas W. Bond