

W-02824A-07-0388



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ARIZONA CORPORATION COMMI
UTILITY COMPLAINT FORM

ORIGINAL

Investigator: [REDACTED]

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2008 69129

Date: 6/9/2008

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

Complaint By: First: William Last: Kowalewski

Account Name: [REDACTED] Home: [REDACTED]

Street: [REDACTED] Work: [REDACTED]

City: [REDACTED] CBR: [REDACTED]

State: [REDACTED] Z [REDACTED] is: [REDACTED]

Utility Company. ICR Water Users Association

Division: Water

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

6/5 ***** RECEIVED THROUGH CHAIRMAN GLEASON'S OFFICE ***CC"D TO ALL COMMISSIONERS ****

DOCKET NO. W-02824A-07-0388

From: WILLIAM KOWALEWSKI [REDACTED]
Sent: Thursday, June 05, 2008 11:17 AM
To: Mayes-WebEmail; Mundell-Web; Hatch-WebEmail; Pierce-Web; Gleason-WebEmail
Subject: Inscription Canyon/Talking Rock Water Issues

- Commissioner Mayes - mayes-web@azcc.gov
- Commissioner Mundell - mundell-web@azcc.gov
- Commissioner Hatch-Miller - hatch-web@azcc.gov
- Commissioner Pierce - pierce-web@azcc.gov
- Chairman Gleason - gleason-web@azcc.gov

Arizona Corporation Commission

DOCKETED

JUN 11 2008

Dear Sir/Madam:

DOCKETED BY [Signature]

RECEIVED
2008 JUN 11 P 4: 29
AZ CORP COMMISSION
DOCKET CONTROL

ARIZONA CORPORATION COMMISSION
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As a resident of Inscription Canyon Subdivision in Prescott Az. I would like to express to you my concerns about our dispute with Talking Rock Subdivision. After attending an informational meeting last night called by our water board I am somewhat nonplussed at their lack of advocacy on our behalf in this water dispute with Talking Rock. Obscene amounts of water, (I don't have to remind you that this is a scarce and limited commodity in this part of the world) are being provided for irrigation to the Talking Rock Golf Course at ridiculously low costs. If anything smacks of conspicuous consumption it is a golf course. I request that you intervene in this dispute to resolve the issue of extreme inequity in the rates we pay for water. I also feel that it is your responsibility to curtail this squanderous use of our precious water resources. Thank you for your prompt attention to this matter.

[REDACTED]

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

6/9

June 5, 2008

Dear Mr. Kowalewski:

Your email regarding the ICR Water Users Association ("ICR") rate case has been received through the offices of the Commissioners. It will be placed on file with the Docket Control Section of the Arizona Corporation Commission ("Commission") and made a part of the record. Your comments will be considered by the Commission before rendering a decision on the ICR rate case.

The concerns raised in letters and emails 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.

When the Commission receives an application from a utility company, the Commission Staff completes the following review procedures and compiles a Staff Report with recommendations for consideration by the Commissioners. This process allows for conciliation procedures for these utility companies when significant customer protests arise due to a requested rate increase.

A review of the utility's application and statistical information is conducted by a designated Staff auditor. The operating expenses claimed by the utility are examined and compared to the revenues received for the service provided.

The Engineering Staff conducts a technical review of the company and assures compliance with acceptable service standards. An inventory of plant facilities is conducted to assure the facilities ability to provide adequate service at reasonable rates.

The rate structure is based on the demand being placed on the system. The larger the line, the more demand

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UTILITY COMPLAINT FORM

on the system. This structure is used for most of the water companies regulated by the Commission.

The Consumer Services Section investigates complaints regarding the operation, service and billing practices of the company to ensure compliance with the statutes, rules, tariffs and orders of the Commission.

Companies, organizations and individuals that have formally intervened will have an opportunity to question the company and argue their position at a hearing. The administrative law judge will prepare recommendations to the Commissioners based on the weight of the evidence, testimony and any agreements that may have been reached. The resulting document is called a Recommended Opinion and Order. These recommendations can also include new and different terms under which a case should be accepted or denied. The memo attached to the Recommended Order generally also sets the date on which the Commissioners will hear the matter in an Open Meeting. The Commissioners do not act as interveners in a case but do want to hear from members of the public who would be affected by the decision. No date has been set for the Commissioners to make a final decision on the case.

Staff appreciates your comments and the interest taken on the proposed rate increase. Updates and filings to this proposed increase can be found on our website at www.azcc.gov in eDocket. Information on Public Comment meetings can be found on the same website by clicking on Schedules and using the drop down to reach Open Meetings.

If you should have any questions relating to this issue, please call me toll free at (800) 222-7000.

Sincerely,

Trish Meeter
Public Utilities Consumer Analyst
Utilities Division
Arizona Corporation Commission
End of Comments

Date Completed: 6/9/2008

Opinion No. 2008 - 69129

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Utilities' Response:

Investigator's Comments and Disposition:

6/9
June 9, 2008

RE: Arizona American Water Co.

Dear Bob and Kathy Fredericksen:

Your email regarding the Arizona American Water Co. ("AAWC") 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 AAWC application.

The concerns raised in letters and emails 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.

Information on this application can be viewed on our website at www.azcc.gov through eDocket. By entering the Docket number you can view the schedule and filings for the case. Public comment is offered at the hearing.

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,

Trish Meeter
Public Utilities Consumer Analyst
Utilities Division
End of Comments

Date Completed: 6/9/2008

Opinion No. 2008 - 69123

W-02824A-07-0388

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2008 69135

Date: 6/9/2008

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

Complaint By: First: Jeremy Last: Reid

Account Name: [REDACTED] Home: [REDACTED]

Street: [REDACTED] Work:

City: [REDACTED] CBR:

State: [REDACTED] Zip: [REDACTED] is:

Utility Company: ICR Water Users Association

Division: Water

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

Nature of Complaint:

6/6 *****RECEIVED THROUGH CHAIRMAN GLEASON'S OFFICE ****CC'D TO ALL COMMISSIONERS

DOCKET NO. W-02824A-07-0388 *****

Additional comments to rate case.

From: Jerome Reid [REDACTED]
Sent: Friday, June 06, 2008 12:57 PM
To: Gleason-WebEmail; Mundell-Web; Mayes-WebEmail; Hatch-WebEmail; Pierce-Web
Subject: ICR Water Users Association, Inc.; Docket No. W-02824A-07-0388

Chairman Gleason and Commissioners Mayes, Mundell, Hatch-Miller, and Pierce:

Judge Stern indicated to the parties in the referenced rate case that any resolution of the open issues, including those arising from non-compliance with Commission Order 64360, must be presented to the customers of the service area in a public meeting for their review and approval. ("So you can't just say, we are the water company and we are the golf club and we are going to make an agreement.", April 16 Hearing transcript, page 19, Lines 3-5). The ICR Water Users Association ("ICRWUA" or "Company") Board of Directors ("Board") publicized in advance and held a meeting on June 3 to present the April 23 Letter of Understanding ("LOU") negotiated between the Board and Talking Rock Golf Club ("TRGC"). While the Board has complied with Judge Stern's directive in form, they have not done so in substance.

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Judge Stern made it abundantly clear that he wanted the parties, with the approval of the Company's customers, to produce an agreement resolving all of the open issues. As many of us communicated to the Board prior to that meeting, the LOU does not resolve the open issues in the rate case, including those arising from the Company's failure to comply with Decision 64360 (well transfer and single tariff). To the contrary, the LOU only expands and aggravates the open issues in the case by attempting with additional complex and obscure agreements to avoid complying with Decision 64360. The Board was asked why they would notice and hold a meeting to present the LOU when it clearly fails to meet the predicate Judge Stern laid down, i.e., resolution of all the open issues. They were of the opinion that the predicate had been met, though a plain reading of the LOU and the Board's communications to the community clearly indicate that the LOU was not a resolution of the open issues, but an agreement to keep talking and produce yet more obtuse agreements defining the relationship between the Company and various Harvard entities. This flies in the face of Judge Stern's direction to the parties in the April 16 Hearing, during which he said the case would not proceed until an agreement resolving all the open issues had been reached.

The meeting scheduled by the Board for Tuesday, June 3 at 7 P.M. was well attended, though the Board's success in maintaining control of entrants with a sign in sheet was limited. I personally witnessed many enter the meeting room without signing in. The only dialogue between the Board and those in attendance was the submission of written questions by those in attendance and answers to some of those questions by a panel made up of Board Members Meyer and Cummings, Board legal counsel Robert Metli, Board accountant Thomas Bourassa, Company Business Manager Robert Busch, and Intervener Dayne Taylor. No discussion from the floor was permitted, i.e., those in attendance were not allowed to ask questions from the floor after being recognized. After Board member Hugh Pryor made opening remarks, a 20-30 minute presentation was made by Board Member William Meyer, followed by a 10 minute presentation from Intervener Dayne Taylor, and a 5-10 minute follow-up by Mr. Meyer to conclude the presentations. The Board next planned to collect and answer written questions from those in attendance. Board Member Earl Cummings announced, because time was limited, that the Board would address as many questions as possible and would provide written answers to all questions submitted to all residents of the Company service area.

The reason I claim that the Board satisfied Judge Stern's direction in form only is because the Board would only permit those attending this meeting to participate in the Board's "survey". Presumably, the Board plans to use the results of this "survey" to indicate whether the community agrees that the LOU is a reasonable way to resolve the open issues in the rate case. I encouraged the Board through email prior to the meeting to solicit participation in the survey by all residents, including those not in attendance at the meeting, but was told by Hugh Pryor on behalf of the Board that "...if people don't hear Bill's Meyer's and Dayne Taylor's narrative or the questions that we answer, it will be difficult or impossible for them to give informed answers to our survey." Curiously, the form on which attendees were required to submit written questions allowed the attendee to indicate the location of their residence within the Company's service area, i.e., in which of the 4 communities served by the Company they reside. However, the "survey", consisting of 3 questions, did not require any indication of residence within the Company's service area. This would have been helpful to understanding any results, e.g., of those who thought the LOU was a good idea, what was the breakdown of residence? Furthermore, the "survey" slips (a piece of light green paper approximately 8.5 x 6) required no identification of the person submitting the survey. Coupled with the fact that the "survey" slips were taken from the meeting room by someone representing the Board and driven off into the night, lack of a name or identifying number on the "survey" ballots raises serious questions about the integrity of the survey process. We have no idea what happened to them and whether the counting of those "surveys" was done properly. Given the lack of any control on this process, the tabulation remains suspect. The facts that there was no control on who entered the meeting and there was no control on the tabulation undermines the validity of any result the survey might be offered to support.

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Further, with regard to the "survey" I consider it a clear indication of the Board's desire to limit participation in deciding the outcome of this matter that the Board did not simply mail a copy of all the written questions and responses, a copy of Messrs. Meyer's and Taylor's PowerPoint presentations, and a copy of the "survey" form to all residents of the service area for their review before filling out the "survey". I and several others in the community have been sending as much information as possible to the residents of ICR and WC to generate interest and permit residents to form their own opinions. We would have shared all this information with the residents of Talking Rock Ranch, but the Board would not permit us to use the email list they have for the entire service area. This reflects, yet again, an effort by the Board to control participation, the dissemination of information, and free exchange of ideas.

In the final analysis:

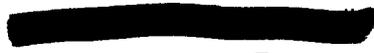
The LOU does not resolve the open issues in this rate case;

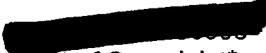
The Board has offered no evidence to support the claims they are making in an effort to "scare" the residents into approving the LOU (e.g., if we do not approve the LOU, Harvard will sue the Company into bankruptcy; and, the golf course is subsidizing the residential customers' water service);

The Board has not acted in good faith in managing the resolution of this rate case (for example, the Board has actively attempted to disparage Mr. Taylor and those of us in the community actively engaged in communicating the issues in this rate case to the residents by suggesting that the Company's excessive legal & accounting fees are the responsibility of Mr. Taylor and the others for getting involved and raising questions about the way the Board is managing the Company).

Respectfully submitted,

Jerome Reid





End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Additional comments to rate case.

End of Comments

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Date Completed: 6/9/2008

Opinion No. 2008 - 69135
