

EXCEPTION

OPEN MEETING AGENDA ITEM



0000094498

Desert Mountain Analytical Services PLLC

ORIGINAL EXCEPTIONS TO RECOMMENDED ORDER

Date: March 12, 2009
Docket No.: W-03875A-08-0421
Mountain Glen Water Service, Inc.
PO Box 4230
Show Low, AZ 85902

Arizona Corporation Commission
DOCKETED

MAR 12 2009

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We have reviewed the Recommended Order of Administrative Law Judge Sarah Harpring for Mountain Glen Water Service, Inc. ("MGWS"), dated March 3, 2009.

MGWS is against a decrease in, or elimination of, any rates or surcharges for the following reasons:

- On February 3, 2009, Staff filed a response that recommended an additional \$16,605 of expenses, but only a corresponding increase in revenue of \$11,836.
- Staff and the ALJ recommend additional storage capacity be added to two of the systems within one year of a decision in the case. MGWS already has a substantial loan with WIFA for arsenic treatment equipment, and does not believe additional indebtedness at this time is in the best interest of the company or ratepayers. MGWS would prefer to defer installation of one of the tanks by one year, and use the cash flow of the business to fund these projects, thus reducing or delaying owner returns to do so. Elimination of the WIFA arsenic surcharge without a corresponding increase in the monthly minimum rate will make this option all but unavailable.
- MGWS entered into a management agreement for administrative services in an effort to save money, and fund projects such as the tanks recommended in this case. Before MGWS can even realize any of these savings and begin system improvements, they will be eliminated by a decrease in rates.

For the above reasons, MGWS requests that its rates and charges be left at the current level in lieu of any decrease.

Thank you for your consideration.

Sonni S Rowell, CPA
For Mountain Glen Water Service, Inc.

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