

W-01902A-09-0293



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**ORIGINAL**

**OPEN MEETING AGENDA ITEM**

ADDENDUM TO EXCEPTIONS TO FINDING OF FACT. DOCKET NO: W-01902A-09-0293

March 16, 2010

23.4 The Treasurer and the accountant have filed an Annual Report every year for at least 15 years. Timber Knoll Homeowners Assoc. have not received a report of non compliance until the statement in the Staff Report. We have no information on NARUC USAO requirements.

23.6 Del Smith, Engineer inspected the Company's facilities on December 17, 2009 and was advised that the water loss had been found and corrected. Max Nelson, President, adds the comment that although the faulty meter showed a 11.8% loss the water remained in the storage tank. There was no physical loss of water.

23.9 The Company is adamant there is no necessity for an EXTRA storage tank. The Company refuses to go into debt for the services of an engineer and the cost of the tank. As the Company does not own the property where would the tank be installed?

24. The Staff Report states the inverted tier for excess gallonage would encourage conservation of water. If this objective is achieved there would be a loss of revenue for the company and a loss of taxes for the Arizona State. This takes into account the deplorable rate increase of 9.21%.

23.4 The accountant hired by the Company gave us these figures from our books on file with him. Brendan Aladi called me on February 11, 2010 @ 4pm and asked why the company retired the Land & Land Rights of \$150. The only reference I can find is the \$150 was retired in 1989. I have not found any papers stating what the Land & Land Rights are. No comment was made on this figure in the Staff Report of 1994 so why has this figure been reinstated in the Staff Report of 2010 when they have no knowledge to what it pertains? Please note that we were buried in 5 feet of snow the day Brendan called so it was some days before I was able to respond to his question.

Why are we going back to information from 16 years ago? The IRS requires the Company to file the paperwork for 7 years.

It appears that most of the Company's figures have been adjusted by the Arizona Corporation Commission Staff. It would be very helpful to the Company to have the formula the Staff use to make their financial statements. For instance: the Staff adjusted the Company's Rate Base from \$28,283 to \$9,670. What does this adjustment mean?

Staff Report.

Page 11: assumes there will be an increase from 5 triennial tests for lead and copper to 15. Why? Lead and copper tests are negligible in this area.

Page 12: Depreciation rates have apparently changed but the Company was not advised of this change.

Page 14: Curtailment Tariff translates to an Emergency Plan which is filed every year with ADWR. As ADWR request 1 copy and ACC request 1 Original & 13 copies this is duplication at it's worst. Not to mention 1 Original & 15 copies for 5 ACC Staff to work on and lose.

Caro Judd, Secretary, TK Water Service

Arizona Corporation Commission

**DOCKETED**

MAR 18 2010

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