

W-02886A-10-0369



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ORIGINAL

ARIZONA CORPORATION COMMIS

UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 90711

Date: 10/29/2010

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

Complaint By: Harriet Basta

Account Name: Harriet Basta

Home:

Street:

Work:

City: Payson

CBR:

State: AZ Zip: 00000

is:

Utility Company: Kohl's Ranch Water Company

Division: Water

Contact Name:

Contact Phone:

Nature of Complaint:

10/29 DOCKET NO W-02886A-10-0369

Arizona Corporation Commission

DOCKETED

NOV - 1 2010

DOCKETED BY [Signature]

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2010 NOV - 1 2:08

RECEIVED

Wednesday, October 27, 2010 2:16 PM
Subject: <no subject>
Date: Wednesday, October 27 2010 9:18 AM
From: Donald Basta
To: <mailmaster@azcc.gov>
Arizona Corporations Commission
Re: Kohl's Ranch Water Company
W-02886A-10-0369
October 27, 2010

I am Harriet Davis Basta, 298 Saddle Mountain Rd. Kohl's Ranch, Payson Az. (PO Box 4704 Cave Creek, Az. 85327, 480488-0169, dkbasta@gmail.com) and I am the owner of Lot 1 since 1978.

I object to and oppose the water rate increase requested by KRWC for the following reasons:

1. No Notice....I did not receive written notice of the proceedings from KRWC. I learned of the request for water rate increase from our Homeowners Assn emails. After learning of the notice requirement, I looked for posted notice and found one on Short Rd. It was on 8 1/2 by 11 paper, on a board, on a stake, about two feet off of the ground and four feet off of the Rd. You had to lay down in the grass to read it and if you did not look for it you would not have noticed it. By the time this notice was posted nearly all of our summer residents were gone for the winter and I left a week later.
2. Summer Residents....The vast majority of the residents are second home owners and are either occasional week-end or summer residents, I usually use my cabin from late May to early October. The allocation of operating expenses on a gallons used bases on its face appears fair but is very misleading and not fair. The gallon age rate covers fixed and variable costs of year-round use and those costs should be born by the Lodge, the major and year-round user. As requested the residents will subsidize the Lodge.

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3. The emergency Kohl's Ranch at one time owned all of the land which the residents' homes now occupy. The land was sold with a water supply from the Lodge. The Lodge organized a water company to comply with Az law. The water charge was small and the major user, the Lodge, covered the operating expense of the water company, using its own employees and equipment and covered these expenses from its Lodge operations. We now have a so called emergency because the owner, voluntarily and for its own benefit, has separated the Lodge

operation from

the water company operations. To correct this ploy and attempt to have the home owners subsidize the cash flow of the bankruptcy proceeding as well as the Lodge, the costs of operating the water company should be assessed to the Lodge and no rate increase should be approved.

4. The Pro-forma Schedules for 2009 Adjustments 3 and 9 are without explanation as to the basis for these costs. They total \$65,000 or 74.6% of the operating expenses. Item 3, \$48,379, is an allocation of Lodge employee expense, how was this determined and how does it compared to item 9, how do these expenses work out in the \$45,000 requested for billing, accounting and legal expenses. The expenses appear to be built up as a hedge for a rate increase.

Thank You for your work and review of this matter.

Harriet Davis Basta

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Docketed

End of Comments

Date Completed: 10/29/2010

Opinion No. 2010 - 90711
