

W-03443A-11-0040

ORIGINAL



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ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2011 93836

Date: 3/14/2011

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

First:

Last:

Complaint By: Jim & Marti

Klein

Account Name: Jim & Marti Klein

Home: (

Street:

Work: (000) 000-0000

City: Chino Valley

CBR:

State: AZ Zip:

is:

Utility Company: Appaloosa Water Company

Division: Water

Contact Name:

Contact Phone:

Nature of Complaint:

March 5, 2011

Arizona Corporation Commission

DOCKETED

MAR 17 2011

Arizona Corporation Commission
Consumer Services Section
1200 W Washington St.
Phoenix, AZ 85007

DOCKETED BY

Ref: Docket #W-03443A-11-040

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL
2011 MAR 17 P 4:09
RECEIVED

We, the undersigned are adamantly opposed to approval of any rate increase for Appaloosa Water Company at this time fix the following reasons:

1. No cost estimates or quotations from licensed contractors or suppliers have been provided with the rate increase request for many of the upgrades that are being requested.

2. We question the need for a 500,000 gallon storage tank as requested in docket #W-03443A-10-0143. No customers have been added since this tank was approved and, according to the application, no growth or decline is anticipated. Was the existing tank inadequate at the time of approval?

If the applicant would like to expand the water company, it would be unfair to ask the current customers to pay for this expansion in the form of increased rates.

3. Why do the existing water meters need to be replaced? These meters are less than 10 years old and a water meter has an average life of 16 to 30 years as indicated in the attached document. As for freezing, this can be solved by simply placing insulation in the meter box at far less expense. Has the applicant provided copies of invoices for the replacement of frozen meters? If so, how many?

Several irrigation system backflow preventers froze and broke this winter but these are on the homeowner's

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UTILITY COMPLAINT FORM

side of the meter and as such are not Appaloosa Water Company's responsibility.

4. Applicant claims increased postage expenses, however, postal charges should not exceed \$.44X240 customers X12months=\$ 1,272 per year. In addition, applicant is including advertisements for his other businesses such as the enclosed Windmill Nursery flyer. Ratepayers should not have to subsidize distribution of advertisements for other associated businesses.

5. Applicant claims an operating loss of \$40,272.00 for 2010 but pays himself a salary of \$50,769.00, an increase of \$7,000 from the prior year. Is it right for the owner of a monopoly to request a rate increase for his own personal gain? If so, where does it end? How much is enough?

6. The owner took a personal loan of \$141,185.94 from the water company as indicated in the enclosed document. This money should have been used for ACC approved maintenance and improvements in lieu of rate increases.

7. We have been paying for arsenic treatment since July 2009 but the arsenic level has exceeded federal standards for the past year as stated in the enclosed letter from Appaloosa Water Company. Now we are being asked to pay more for treatment we've never received.

8. Applicant claims \$10,828.00 for miscellaneous expenses in 2010. Specifically, what were these expenses for? Miscellaneous expenses for 2009 only totaled \$2959.00. In general, applicant has not shown receipts or invoices for many of the expenses listed on his application. How do we know that these expenses are valid? For example, are all of the expenses for Appaloosa Water Company such as phone bills and postage separate from applicants other businesses?

We respectfully, request that you carefully investigate Appaloosa Water Company financials and intentions prior to granting any rate increase or financing approval.

Jim & Marti Klein

Chino Valley, AZ 85325

enclosures

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. W-03443A-11-0040. closed

End of Comments

Date Completed: 3/14/2011

Opinion No. 2011 - 93836
