

W. 04254A-11-0296

ORIGINAL



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ARIZONA CORPORATION COMMISS

UTILITY COMPLAINT FORM D

Investigator: Trish Meeter

Phone: 2011 OCT 13 P 3: 54

Fax: (---)---

Priority: Respond Within Five Days

AZ CORP COMMISSION
DOCKET CONTROL

Opinion No. 2011 99627

Date: 9/30/2011

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

First:

Last:

Complaint By: Owen

Cotton

Account Name: Owen Cotton

Home: (000) 000-0000

Street: n/a

Work: Arizona Corporation Commission

City: n/a

CBR:

DOCKETED

State: AZ Zip: n/a

is:

OCT 13 2011

Utility Company: Montezuma ** Rimrock Water Company, L.L.C.

DOCKETED BY

Division: Water

Contact Name:

Contact Phone

Nature of Complaint:

ARIZONA CORPORATION COMMISSION 2011 SEP 11, P I: '42 SFP
1200 West Washington Street _____
Phoenix, AZ 85007-2927 []

RE: Montezuma Rimrock Water Company (MRWC) September 22, 2011 H?friWSëkihfto obtain a \$37,536 annual Emergency Rate Increase to build an Arsenic Treatment Facility estimated to cost \$ 300,000'. (Docket No. W-04254A-1 1-0296)

Dear Commissioners:

I presently own a triplex on a developed lot and an undeveloped lot in MRWC's service area. Contiguous lots along Thunder Ridge Road were acquired 2001 through 2003, with two being sold prior to 2006. As a result of this activity I am familiar with the background leading up to MRWC's request for an emergency rate increase.

From mid June, 2004 through January, 2005 I spent a significant amount of time & energy trying to block the sale of the water company then owned by Montezuma Estates Property Owners' Association (MEPOA) to MRWC. I provided information by letter to staff & the commission & testified at ACC hearings held in July & October, 2004 and early February, 2005. Information provided and a record of my testimony are part of the extensive ACC records concerning MRWC.

My primary objection to MRWC becoming the water provider was an apparent lack of the financial stability and capacity needed to (1) update an aged system, (2) engineer, acquire & install expensive equipment need to comply with new arsenic standards taking effect in 2006, and (3) adequately service an expected increase in customers resulting from more construction activity. It also didn't make sense that the then approximate 90 customers should be exposed to these significant risks when an established well financed operation, Arizona Water Company (AWC) was operating within 600 feet of the MEPOA service area. AWC had already dealt with the new arsenic standards, had recently brought in a new high volume quality well, and was capable of making what would have been a seamless transfer as the new water provider.

ACC staff, after review, citing reasons similar to the above, recommended to the Commissioners that MRWC not be allowed to acquire MEPOA's water operations. However, the Commissioners, with only Jeff Hatch - Miller dissenting approved the MEPOA/MRWC sale of assets & transfer of certificate.

1 Based on information provided in Patsy Olsen's "Declaration to Yavapai County Superior Court" docketed in

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

W04254A-0361 May 10, 20011 in which Olsen claims to need a \$165,000 in addition to a \$150,000 developing well Site No. 4 to complete the Arsenic Treatment Facility.

2 Docketed in W-04254A-0270 October 25, 2004, Letter to Jim Fisher, Executive Consultant – ACC Utilities division

Almost seven years later residents in MRWC's service area are still coping with mediocre water service, an under capacity system that doesn't provide acceptable resources for fire protection, plus poor quality water. Additionally, MRWC has not yet complied with the 2006 arsenic standards and is asking for an additional 57% monthly arsenic surcharge at a time when their base monthly rate is already 20% higher than AWC, which operates in the same geographic area under similar operating conditions.

The simple truth is that the MRWC operation is too small and under capitalized to safely and efficiently provide water to the service area. That was true in 2005, is true today, & will likely remain as the situation for years to come if the regulatory agencies don't do their job. As a taxpayer, I'm appalled that ACC initially allowed this to happen & has not as yet resolved a situation that puts MRWC customers at risk on safety and health issues. The Commission should not continue to force MRWC ratepayers to both be at risk & to financially subsidize an inefficient MRWC operation, especially when an easily available alternative supplier is capable of resolving those problems at a lower cost.

Very truly yours,

/s/

Owen L. Cotton

Coov of the above letter sent to
the following parties:

Ms. Lynn Farmer

Chief, Hearing Division

Arizona Corporation Commission

1200 West Washington Street

Phoenix, Arizona 85007

Mr. Steven M. Olea

Director, Utilities Division

Arizona Corporation Commission

1200 West Washington Street

Phoenix, Arizona 85007

Ms. Janice M. Aiward

Chief, Legal Division

Arizona Corporation Commission

1200 West Washington Street

Phoenix, Arizona 85007

Mr. Douglas Fitzpatrick

49 Bell Rock Plaza, Suite A

Sedona, AZ, 86351

Mrs. Patricia Olsen

Montezuma Rimrock Water Company, LLC

P. O. Box 10

4615 E. Goldmine Road

Rimrock, Arizona 86335

Mr. John Dougherty

P0 Box 501

Rimrock, Arizona 86335

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Already docketed.
End of Comments

Date Completed: 9/30/2011

Opinion No. 2011 - 99627

W. 04254A-11-0296

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone:

Fax:

Priority: Respond Within Five Days

No. 2011 99628

Date: 9/30/2011

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

First:

Last:

Complaint By:

Eliseo

Gonzales

Account Name:

Eliseo Gonzales

Home:

Street:

Work:

City:

Rimrock

CBR:

State:

AZ Zip: 86335

is:

Utility Company:

Montezuma ** Rimrock Water Company, L.L.C.

Division:

Water

Contact Name:

Contact Phone

Nature of Complaint:

DOCKET NO. W-04254A-11-0296 OPPOSED RATE INCREASE

9/28

September 21, 2011

To: Arizona Corporation Commission
From: Eliseo and/or Dolores Gonzales
Re: Proposed Surcharge

Please be advised Eliseo and/or Dolores Gonzales wish to petition the proposed surcharge of \$15.64 per month increase.

If there are any other statement needed from us please do not hesitate to contact us.

Eliseo, Dolores Gonzales

Rimrock, AZ 86335

Phone:

Sincerely,

Eliseo Gonzales

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

9/28

Called customer to determine the reasons for contacting the Commission

9/28

Spoke w/customer. She/he is opposed to any increase for the water company.

Docketed.

End of Comments

Date Completed: 9/30/2011

Inquiry No. 2011 - 99628
