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212 E. Rowland Street #423
Covina, CA 91723

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January 23, 2012

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Docket Control Center
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

JAN 26 2012

DOCKETED BY: 

**RE: PROCEDURAL ORDER DATED – January 4, 2012
CERTIFICATION OF MAILING AND PUBLICATION
Docket No. WS-20794A-11-0140 and WS-20794A-11-0279**

DII-Emerald Springs, LLC (“DII”) as per the PROCEDURAL ORDER dated 1/4/2012 responds and certifies as follows:

1. **For clarification purposes:** The community of Emerald Springs has currently 40 houses completed. Due to CC&R’s violations and a Court decision, the HOA signed agreements with 3 vacant lot owners. Among the items covered in this agreement included that these 3 lots will be considered as full developed lots for regular and special assessments purposes. This includes regular monthly HOA dues, sewer fees, etc... Please keep this in mind when calculating the future sewer fee.
2. **DII requests a flat fee for the entire HOA rather than individual houses for the following reasons:**
 - a).- In the event of non-payment; DII does not have a mechanism to disconnect a particular house from the system. Therefore, the collection efforts may become very expensive; this will eventually impact the entire community with higher future sewer fees.
 - b).- In the other hand, the HOA has the ability to assess late fees, file liens, and even cause a sale for non-payment of any assessment.
In the long run, this will contribute in keeping the sewer fees as low as possible by controlling the collection expenses.
3. The notice to the HOA and every member (property owner) individually were mailed via USPS on 1-18-2012.
4. The newspaper PARKER PIONEER published the notice on 1-18-2012 (see attached affidavit and copy of the published notice.)

If you need additional information, please contact me directly at 626-664-0602.

Sincerely,

DII-Emerald Springs, LLC
Henry Melendez, President

Affidavit of Proof of Publication

STATE OF ARIZONA

COUNTY OF LA PAZ

SS

I, **Tina Parriera** being duly sworn, says that during the publication of the notice, as herein mentioned, she was and now is an Authorized Agent of **The Parker Pioneer**, a one-time week newspaper published on Wednesday of each and every week at the City of Parker, in La Paz county, State of Arizona. That said newspaper was printed and published as aforesaid on the following date, to-wit:

PUBLIC NOTICE
DII-EMERALD SPRINGS, L.L.C.

Published date:

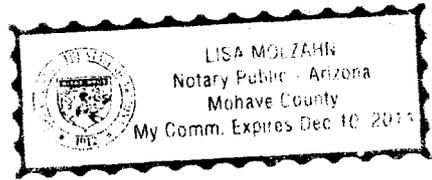
January 18, 2012

of which the annexed copy is a printed and true copy, was printed and inserted in each and every copy of said newspaper, printed and published on the date aforesaid, and in the body of said newspaper and not in a supplement thereof.

Tina Parriera
Tina Parriera

Subscribed and sworn to before me this 20th day of January 2012.

[Signature]
Notary Public
December 10, 2014
My Commission Expires



**PUBLIC NOTICE OF HEARING
ON THE APPLICATIONS OF
DII-EMERALD SPRINGS, L.L.C.
FOR A CERTIFICATE
OF CONVENIENCE AND NECESSITY
TO PROVIDE WASTEWATER
SERVICE AND FOR APPROVAL
OF RATES.
(Docket Nos. WS-20794A-11-0140
et al.)**

Summary

On April 4, 2011, DII-Emerald Springs, L.L.C. ("DII") filed with the Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience and Necessity ("CC&N") to provide wastewater service in a service area adjacent to the Colorado River in Ehrenberg, approximately 45 miles south of Parker in La Paz County, Arizona. The service area encompasses the 54-lot Emerald Springs Subdivision ("Emerald Springs"), to which DII states it has been providing wastewater service since 2004. DII explained that it established a packaged plant on an emergency basis in 2004, with permission from the Arizona Department of Environmental Quality ("ADEQ"), but that the situation has become permanent. DII stated that it has been operating at a loss and that it desires for the Commission to establish rates that will at least cover operating costs.

On July 15, 2011, DII filed a rate application, using a calendar year 2010 test year ("TY"). In its rate application, DII stated that the Emerald Springs Homeowners Association ("HOA") is DII's only customer; that the HOA's currently monthly rate is \$3,041.18; and that DII had TY gross revenues of \$32,154.00 and TY operating expenses of \$10,962.61, but that many expenses have been subsidized or temporarily suspended. DII did not propose any specific rates or level of revenue increase. DII also stated that DII owns, operates, and is responsible for only the actual sewer treatment plant and any process thereafter and that the HOA owns, operates, and maintains the entire collection system, including the lift station and the pipes from the lift station to the sewer treatment plant.

DII's CC&N application and rate application have been consolidated into one matter for the Commission's consideration and decision. The Commission's Utilities Division ("Staff") has filed a Staff Report recommending approval of DII's rate increase application using Staff recommended rates and charges and recommending approval of DII's CC&N application. Staff recommends a flat rate of \$125.80 per completed residential connection, in lieu of the current fixed monthly flat rate for the HOA as DII's single customer. The \$3,041.18 monthly rate paid by the HOA equates to a monthly charge of \$70.73 per completed residential connection. Thus, Staff's recommended monthly charge per completed residential connection represents an increase of 77.86%. In addition, Staff determined that its recommended rate represents an increase of 101.83% over the TY monthly flat rate, which Staff calculated as equivalent to \$62.33 per completed residential connection.

The Commission is not bound by the proposal made by DII, Staff, or any intervenors. The Commission will issue a decision regarding DII's applications following consideration of testimony and evidence provided at an evidentiary hearing.

How You Can View or Obtain a Copy of Each Application

Copies of the applications are available for inspection during regular business hours at the Commission's Docket Control Center in Phoenix, at 1200 West Washington Street, Phoenix, Arizona, and at DII's offices at 212 E. Rowland Street #423, Covina, CA 91723. The applications are also available on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission

Public Hearing Information

The Commission will hold a hearing on this matter beginning March 20, 2012, at 10:00 a.m., at the Commission's offices, Hearing Room 1, 1200 West Washington, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket Nos. WS-20794A-11-0140 et al. to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to <http://www.azcc.gov/Divisions/Utilities/Forms/PublicCommentForm.pdf>. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or 602-542-4251.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you desire to intervene, you must file a written motion to intervene with the Commission no later than February 24, 2012. You must send a copy of the motion to intervene to DII or its counsel and to all parties of record. Your motion to intervene must contain the following:

1. Your name, address, and telephone number and the name, address, and telephone number of any person upon whom service of documents is to be made, if not yourself;
2. A short sentence of your interest in the proceeding (e.g., a potential customer of DII, property owner in the proposed service area, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to DII or its counsel and to all parties of record in the case.
4. If you are not represented by an attorney who is an active member of the Arizona State Bar, and are not representing yourself as an individual, information and any appropriate documentation demonstrating compliance with Arizona Supreme Court Rules 31, 38, and 42, as applicable.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before November 24, 2012. If representation by counsel is required by Arizona Supreme Court Rule 31, intervention will be conditioned upon the intervenor's obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/Divisions/Utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, at sbernal@azcc.gov, voice phone number (602) 542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

Publish: 1-18-2012

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