

ORIGINAL

July 2, 2012

Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission

DOCKETED

JUL - 6 2012



0000136615

Re W-03067A-12-0232

DOCKETED BY	<i>MS</i>
-------------	-----------

Dear Commissioners,

We are writing to notify you of our opposition to the proposed Beaver Dam Water Company rate increase.

Beaver Dam is a small retirement community of approximately 180 lots that was severely damaged by the 2010 flood which destroyed sewer, roads, individual lots and homes. The Association is still waiting government answers regarding the above damages. The cost to repair the roads most likely will be extensive to each individual lot/home owner which we will all bear those costs. Although we are not yet able to retire there because of economic reasons, we have owned property there for several years.

We do have some specific questions and concerns about the proposal:

1. Are they going to bill us individually as an Association (as they have in the past), or are they planning to bill us individually as their proposal appears to suggest? Billing as is currently done would mean an increase of roughly \$3,000 per year divided among the 180 or so homes. If billed individually the cost to us increases to around \$8,400. I calculate the current increase proposed by BDWC to be somewhere between 17% (billed as an Association) and 50% (Billed individually) depending on what they are really proposing.
2. In December 2009 BDWC rates went from \$1.00 per thousand gallons to \$3.15 per thousand gallons. That was a huge rate hike only a couple of years ago. Due to this major increase in costs to the homeowners, our park has taken measures to reduce culinary water usage by drilling two wells for irrigation purposes. This action has significantly reduced BDWC cash flow from our park. We do not consider our actions to save money on our culinary water usage to be sufficient justification for a water rate increase.
3. We believe that the reason the "Test Year" of 2011 has been chosen by BDWC is because the flood of December 2010 caused higher than normal expenditures for that year. The Commission should back out of the "Normal Expenditures", those costs associated with the flood. BDWC expenditures were much higher for their "Test Year". Occupancy of homes and RV lots was less in 2011 due to the flood of December 2010 when a lot of the people left immediately after the flood and did not return until the fall of 2011, decreasing water usage for the "Test Year". We believe a test year should accurately depict the situation.

Your consideration of these issues and concerns would be appreciated.

Sincerely

Glenda Allen
Debbie McCarrell

Glenda Allen and Debbie McCarrell
PO Box 1691
Vernal, UT 84078
(owners, Lot 15, 295 Arrowhead Loop, Beaver Dam Resort)

DOCKET CONTROL
AZ CORP COMMISSION

2012 JUL - 6 A 11:03

RECEIVED