

ORIGINAL

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DOCKET # W-03067A-12-0232

DATE: July 3, 2012

TO: ARIZONA CORPORATION COMMISSION (DOCKET CONTROL)

1200 W. Washington
Phoenix AZ 85007

Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION
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2012 JUL 11 A 9:58

RECEIVED

FROM: MARLENE A. and CHARLES F. McCRAY

Lot #29
327 Arrowhead Loop
Beaver Dam AZ 86432

DOCKETED
JM

RE: BEAVER DAM WATER COMPANY (BDWC) RATE INCREASE

We realize that the water rate increase requested by BDWC is primarily based on cost justification; however, a brief comment on the effect to our community and each individual property owner. There are actually two increases being requested by BDWC. One, which is a major increase, relates to the change in billing method from a single billing to the Association as a whole (which has been the method since the inception of the Park) to individual billings; we assume this change in billing method has been approved by the Commission. The other, of course, relates to an actual request for an increase in water rates, which needs to be cost justified.

These increases weigh heavy on the individual property owner, affecting full time owners, most of whom are retired and living on fixed incomes, by over \$300.00 in increased water cost per year; Snowbird property owners will be affected at about half this amount, plus whatever the reconnection fee will be if they discontinue water service during their absence.

Regarding the justification for a water rate increase, we have two concerns: One relates to future Revenue projections, the other relates to costs included in the "Test Year". If BDWC intends to start billing on an individual basis, then projections of future revenues need to take this major Revenue increase into effect when relating Revenues to future on-going costs. Non-recurring costs paid during the "Test Year" must be removed from the on-going cost calculations. During the "Test Year", expenditures were made, not only in our Park but possibly other areas of BDWC's service coverage, related to the 2010 flood, these are non-recurring and should be removed from the "Test Year" costs; another non-recurring expenditure that should be removed from "Test Year" costs are expenditures related to putting in individual meters (Both labor and materials) in anticipation of this change in billing method.

Marlene A. McCray

Charles F. McCray