

ORIGINAL

ARIZONA CORPORATION COMMISS



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UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone: 2013 JAN -8 P 2: 12 Fax:

Priority: Respond Within Five Days

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Opinion No. 2013 - 107613

Date: 1/3/2013

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

Complaint By: First: Roger Last: Segerman

Account Name: Home:
Street: Work:
City: Yuma CBR:
State: AZ Zip: 85367 is:

Utility Company: Far West Water & Sewer, Inc.

Division: Water

Contact Name: Contact Phone:

Nature of Complaint:

Docket No. WS 03478A-12-0307 OPPOSED

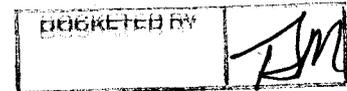
Arizona Corporation Commission
Consumer Services Section
1200 West Wasahington
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

JAN 08 2013

Ref: Rate Application of Far West Water & Sewer Company

Yuma, AZ 85367
Docket No. WS-03478A-12-0307



Background:

The Schrechert family are owners/part owners of Far West Water and Sewer. H & S Development, three local golf courses and the owners of a major portion of the undeveloped land located within the boundaries of Far West Water and Sewer Company.

Approximately 5 years ago, without and advance notice, Far West Water & Sewer required all of its customers using their services be required to pay a monthly fee equal to their standard monthly usage fee. This fee payment for non-usage doubled the yearly cost for those apending less than 12 months a year in Yuma area. These "Snowbirds" were not given the opportunity of having their Far West services discontinued with no monthly charges for the length of time those services were not needed.

The owners/operating personnel of Far wWest Water & Sewer have a history of requesting excessive rate increases.

- (a) August 29, 2008 they requested a permanent increase of 214.8%
- (b) December 19, 2008 filed an emergency application requesting an intern rate increase of 101.02%.
- (c) In 2009 requested a 218% increase over a 3 year period.
- (d) In July of 2012 requested a rate increase of 188.05% which will include for the company to earn a 7.409% rate of return on its original - cost rate base.

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Comments:

1. Far West Water & Sewer states in part "that this rate increase is do to improvements ordered by the Arizona Corporation Commission and/or the Arizona Department of Environmental Quality." Did the company knowingly exceed the capacity of the old system, if so show's fault is it that the system was failing and who should pay for any needed improvements.

2. It is being suggested that for those who use the services of Far West Sewer and Water less than full time have some relief from the present policy of paying full charges 12 months a year and that they have the options of (a) Having their services discontinued until needed. (minimum of 3 months or pay a start up fee of \$25.00). (b) For those who use water for hydrating their plants and trees, but do not use their sewer system during the months that they are located outside of Arizona that the customer must pay the normal water usage fees only.

3. I do think tht a increase may be justified, The increase's should be in line with those of neighboring cities, towns or municipalities within the geographical area.

(a) The City of Yuma, Arizona provides sewer service for its customers within the city limits at a cost of \$32.48 per month (\$64.96 every town months billing). For those areas outside of the city limits, but are in the county the customer is charged \$43.20 per monthh (\$86.40 every two months billing). The reason given for the additional cost is the amount of effort need to provide the same service in both areas. I understand that Far West Water & Sewer is using the City of Yuma's county customer charges as an example of the the cities rate. I do not think that this is a fair comparison since the boundaries of Yuma's main sewer operation is within it's city limits and that is where it's main operation is performed and charges for outside it's normal boundaries require an increase in fee's. Far West on the other hand is located in the county, and it's base of operation is also in the heart of it's sewer boundaries therefore make Yuma's Fee's for within the city limits and Far West's operation within the count similar.

(b) The City of Welton has sewers only in the subdivision of Coyote Wash. There customers there are charged \$30.00 per month.

© Per the Water Infrasturcture Finance Authority of Arizona located on the internet at www.azwifa.gov, the 2011 Arizona Water and Wastewater Residential Rates for cities within Yuma County are as follows:

Far West Water and Sewer = \$21.75 per month

City of Yuma = \$32.48 per month

Somerton = \$34.79 per month

San Luis - Not available

The average wastewater charges per month within Yuma County is = \$29.42 per month

The average wastewater charges per month for Maricopa County is = \$28.07 per month

The average wastewater charges for all the counties of Arizona is \$29.05 as stated in the 2011 Arizona Water and Wastewater Residential Rates.

Points to ponder:

(a) Yuma is a winter destination for Snowbirds from all over the United States, Canada and other far away location. Most of these snowbirds are on limited income and major price increases effect there lifestyles. An increase of the size that is being proposed will affect not only those snowbirds, but all the residents using Far West's facilities.

(b) If enacted the cost for sewers provided by Far West Water and Sewer will go form \$261.00 ($\$21.75 \times 12 = \261.00) to \$751.80 ($\$62.65 \times 12 = \751.80). That is a cost of approximately 1/2 of what I pay for my property taxes and I live in a stick built southwest style home in the Foothills of Yuma. For those who live in RV's on their lot, have park models or mobile homes the cost of sewer will be equal to if not greater than the cost of the property taxes.

© I do concur with thos that want a public hearing held in Yuma area in regards to the pricing increase

Best Wishes,
Roger Seqerman

Yuma, AZ 85367
Hone Ph =

ARIZONA CORPORATION COMMISSION
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E-mail =
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Docketed.
End of Comments

Date Completed: 1/3/2013

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