

AZ. CORPORATION COMMISSION
1200 W. WASHINGTON ST
PHOENIX, AZ 85007-2927

NEW APPLICATION

ORIGINAL



TACNA WATER COMPANY

FEBRUARY 14, 2013

W-01344A-13-0032

A rate application was filed, under Docket NO W-01344A-11-007¹ about two years ago. We would like to withdraw that application in order to file this emergency rate increase.

The small community of Tacna is made up of dirt streets and very old mobile homes and falling apart houses. These people have lived here for years. There are very few to none moving out or new people moving in. (In all the time that I have had an association with this company, there have been only 1 or 2 new customers that we have been aware of.) There are few homes with house numbers and even fewer townspeople that know the address of their homes. All of the townspeople must get their mail at the Post Office. (I have attached some photos of this town, along with photos of the well.) The well site has not been maintained in years and needs much work in clearing and cleaning to even begin to repair the broken piping and electrical needs. The exact cost of repairs cannot be determined until the cleanup is begun.

The last rate review for the Corporation Commission in May of 2006 established rates of \$7.00 for 5/8" meters to residents. There are no higher rates set for Commercial and therefore these customers are also billed at \$7.00. Failed meters and lines along with failure to pay from customers and a declining economy have made it impossible for Tacna Water Company to keep up with its payments to creditors.

Tacna Water Company is insolvent in its debt to various creditors including WIFA. Tacna Water Company cannot continue on its current path. Creditors are not willing to extend debt farther into 2013, as many are owed from as far back as 2010. The current operating manager is Sunstate Environmental Services. Meters are broken, lines are broken, and this company is broken.

The meter readings are not accurate due to the number of broken meters. Check book records are not accurate due to mismanagement. Tacna Water Company billing to customers and money received from customers is as accurate as possible due to these conditions. However, because the correct information is not available, a rate review application is impossible at this time.

Tacna Water Company therefore respectfully requests an emergency rate case to be opened and considered at this time.

Nancy Miller

Manager Tacna Water Company

Arizona Corporation Commission
DOCKETED

FEB 21 2013

DOCKETED BY	NP
-------------	----

AZ CORP COMMISSION
DOCKET CONTROL

2013 FEB 21 A 10:52

RECEIVED

INFORMATION FOR THE EMERGENCY RATE CASE

FOR TACNA WATER COMPANY

FEBRUARY 14, 2013

1. We request that the base rate for 5/8" residential customers be raised from \$7.00 to \$28.00.
2. We request that the base rate for 5/8" commercial customers be raised from \$7.00 to \$100.00.
3. We request that a deposit fee of \$75.00 be established. This is the standard fee amount that is used for 3 other water companies that I own. It covers all charges should a person leave behind an open account. There have been 1 new account in the past 3 or so years.

4. We request that an increase of the rates for residential be established as below:

-5/8" x 3/4" meter	\$28 for 0	Usage rates
3/4 " meter	32. For 0	1.00 for 0 to 3,000 gallons
1" meter	38. For 0	1.50 for 3001 to 7,000 gallons
1 1/2" meter	45. For 0	1.75 for over 7,000 gallons
2" meter	65. For 0	
3" meter	85. For 0	
4" meter	120. For 0	
6" meter	250. For 0	

Usage for commercial

-5/8" x 3/4" meter	\$100 for 0	Usage rates
3/4 " meter	132. For 0	1.00 for 0 to 3,000 gallons
1" meter	138. For 0	1.50 for 3001 to 7,000 gallons
1 1/2" meter	145. For 0	1.75 for over 7,000 gallons
2" meter	165. For 0	
3" meter	185. For 0	
4" meter	220. For 0	
6" meter	250. For 0	

5. We request that a late fee of \$5.00 for residential and 10% for commercial accounts be established for all accounts that are past due.
6. These increases would be beneficial to the recovery of this company which currently is approximately \$200,000 in debt and arrears. It would also allow for purchase of new meters, meter boxes, disconnects, and other numerous repairs that are necessary.
7. No invoices have been paid by this company to creditors for approximately 3+ years and therefore many of the creditors will no longer extend credit for materials and parts needed to make necessary repairs. Without these repairs, meter readings are non-existent or incorrect at best. This problem causes invoicing to customers to be less than accurate. There is no on site maintenance personnel to clean up the well site, read the meters, turn on water or turn off

water, or make repairs. This increase will not totally alleviate the problem but will be a start. A current count of damaged meters is not yet available. This number, along with the approximate cost to repair, will come when a survey of the plant and facilities is made.

8. Tacna Water Company is in such disrepair and mismanagement that it is on the verge of total collapse, if some financial help is not forthcoming. There is an outstanding bill to WIFA, which at this time I do not have an amount to give you. The amount of \$6.78 is being billed and collected. It has not been paid out to WIFA but will be in the future and cannot be included in the income portion. The same situation is happening for the sales taxes. Sales taxes have been collected but not paid. This needs to be corrected immediately.

9. To date, the monthly income average is \$3,328.00 each month for the past 4 months. There is currently \$14,193.00 past due. The increase would bring this up to \$ \$5,000 to \$6,000 a month. That would allow for maintenance on site person and parts to be purchased, as well as normal monthly bills to be paid.

Sunstate Environmental Services, Nancy Miller, has been billing customers and receiving the payments, processing the payments and depositing the funds, without receiving payment for almost 4 years. I am willing to accept full management of the company and attempt to make it a prospering, viable utility company for the customers. But this will be possible only if the ACC is able to assist in raising the rates to allow a more suitable income. We are not asking for funds to pay off all of the debts, just enough to try to get this company back on its feet. The mismanagement of the company has made it impossible to acquire documents from the owner to help substantiate the total funds due to creditors.

We, therefore respectfully request that these rates be acceptable and adoptable as soon as possible.

Nancy Miller

Manager

Tacna Water Company