

WS-03478A-12-0307

ORIGINAL

ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM



RECEIVED

Investigator: Tom Davis

Phone: 2013 FEB 25 P 3:30

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Priority: Respond Within Five Days

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Opinion No. 2013 - 108798

Date: 2/25/2013

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

First:

Last:

Complaint By: Dennis

Hill

Account Name: Dennis Hill

Home: (000) 000-0000

Street:

Work: (000) 000-0000

City: Yuma

CBR: 000-000-0000

State: AZ Zip: 85367

is: Other

Utility Company: Far West Water & Sewer, Inc.

Division: Sewer

Contact Name:

Contact Phone

Nature of Complaint:

OPPOSED

SEWER

February 19th, 2013

Arizona Corporation Commission

Arizona Corporation Commission  
Consumer Services Section  
1200 West Washington  
Phoenix, Az. 85007

DOCKETED

FEB 25 2013

RE: Docket #WS-03478A-12-0307, Comments in Opposition to Rate Increase

DOCKETED IM

Dear Commissioners or Staff:

The purpose of this letter is to speak out strongly against Far West Water and Sewer Company's rate increase request in the above entitled docket number. It's outrageous that any company, especially this one, would seek such a large increase all "one fell swoop". I doubt any substantive, honest justification for this an increase of this size can be seriously advanced or proven.

Several years ago, Commission staff recommended against Far West's last gigantic rate increase request. An Administrative Law Judge, in a written recommendation against the increase, took Far West's management to task. As I recall, the Law Judge actually used the word "incompetent" to describe Far West's management. Such strong, written verbiage by a Law Judge is rare and is testimony to the state of the Company's management. That same Law judge recommended that the ACC appoint an interim manager to take over the company. The recommendation was not acted upon but should have been!

Here we are, several years later, and little has changed at Far West, including its key managers. It's my belief that the company is still being mismanaged. Any company that needs such a huge rate increase all at once is, by definition, mismanaged. No responsible, competent CEO or CFO would ever let their company's

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financial condition get so far out of "whack" as to need this much of an increase at one time.

If my memory serves me correctly, a review of the last rate increase request found that the Company's books had been "cooked" to make its financial condition appear worse than it was. If this is true, and given that few of the "players" at Far West have changed, it would not surprise me if this happened again. I urge the Commission to very carefully audit Far West's financial condition and thoroughly review this request for legitimacy and need. One can't help but wonder if Far West's, spending priorities are out of whack and the degree to which that contributes to any financial problems it may be experiencing. In the last 8 months, landscaping was installed at the Las Barrancas Golf Course Treatment Plant, even though the only people that can really see the plant in any significant way are those playing golf. Is it really necessary to spend what must have been tens of thousands of dollars on landscaping? The timing of this expenditure is poor given the 188% rate increase request. This lack of regard for timing and, in my view, lack of real necessity calls into question management's competency and commitment to economic efficiencies. For example, Far West meter readers drive fuel inefficient full size pickup trucks. Far West desperately needs new, competent leadership.

The Foothills area is widely viewed as profitable, if not lucrative, for business. That's why new businesses are coming here. Two new "dollar" stores are under construction right now. Yet Far West Sewer and its affiliate companies are having financial problems. The Foothills is rife with rumors that Far West and its affiliates periodically move funds between the companies. If this is true, is this legal or appropriate for a utility? Is Far West using funds from its sewer company to keep its other businesses or their owners afloat? It's well known in the Foothills that Far West companies, perhaps the sewer company too, are on a COD, no credit, basis with their suppliers. This is further evidence that financial mismanagement is company wide, not just with Far West Sewer.

I do not know if it's true but it's widely rumored that the owners of these companies regularly pull large sums of money out of the Far West companies to support a lavish lifestyle, including thoroughbred horses. Since these are privately held companies, I suppose this is their right, if true. However, is this legal or appropriate for a utility?

Should the ACC decide to grant this 188%, or any, rate increase you should consider disallowing Far West to charge customers for service when it is not being used. Many customers use sewer only a few months out of the year. It makes little sense to charge year round for services only used a few months. I have never heard of this practice before and neither have any of my friends and acquaintances. Few, if any, municipal sewer utilities engage in this practice.

I urge the ACC to deny this request AND use its statutory authority to take over Far West Water and Sewer. Thank you for your very careful review of this appalling rate increase request.

Sincerely, Dennis Hill

Yuma, Az. 85367  
\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

2/25/13 Comments noted for the record and docketed. CLOSED.  
\*End of Comments\*

**Date Completed: 2/25/2013**

**Opinion No. 2013 - 108798**

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