

IN-01815A-13-0210



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ORIGINAL
ARIZONA CORPORATION COMM
UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2013 - 112780

Date: 9/13/2013

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

Complaint By: First: Mr./Mrs. Raymond Last: Knight

Account Name: Mr./Mrs. Raymond Knight

Home:

Street:

Work:

City: Topock

CBR:

State: AZ Zip: 86346

is:

Utility Company: Golden Shores Water Company, Inc.

Division: Water

Contact Name: Linda Boyer

Contact Phone:

Nature of Complaint:

***** W-01815A-13-0210 *****

Arizona Corporation Commission
DOCKETED

SEP 13 2013

Received the following -

Arizona Corporation Commission
Commissioners Wing
1200 West Washington
Phoenix, AZ 85007-2996

DOCKETED BY NR

RECEIVED
2013 SEP 13 P 12:30
CORP COMMISSION
DOCKET CONTROL

Golden Shores Water Company Emergency rate increase

Docket Number: W-01815A-13-0210

I am against the Golden Shores Water Company receiving any rate increase at this time. Looking at the initial filing documents Mrs. Wayland states she had to fire the former operations manager due to what could be misappropriation of company resources. This may be a criminal act on the part of the former manager. Yet there is no mention of an investigation by any law enforcement agency.

Mrs. Wayland is seeking a rate increase of "About 95%" that would add \$444,994 in revenue to the 2012 test year revenue. Therefore the company made about 469,000 total revenue in 2012.

The company is claiming \$95,706 in Salaries and Wages

The company does not state what the actual power cost is for the year; let us assume it is \$100,000.

The Company claims the need of: 65.00 month for outside toilet at shop: GOLDEN SHORES IS ONLY 2 SQUARE MILES, WHY CAN'T THE EMPLOYEES GO HOME TO USE THE TOILET?

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UTILITY COMPLAINT FORM

The company claims 136,900 for additional repairs and maintenance:

- PER THE ATTACHED SCHEDULE, THERE IS \$49.52 EACH FOR 180 BALL VALVES, ARE THEY PLACING BALL VALVES ON THE CUSTOMER SIDE OR THEIR SIDE OF THE SERVICE METER?
- THE COMPANY ALSO WANTS \$249.30 EACH FOR 180 METER BOXES, THE WATER LINES ARE IN THE BACK EASEMENTS AND NOT SUBJECT TO DAMAGE FROM GETTING RUN OVER, PLASTIC METER BOXES WOULD WORK WITH NO PROBLEMS METER BOXES FROM USABLUEBOOK.COM ARE LESS THEN \$20.00 EACH SO FOR 180 AT 20.00 = \$3,600.00 AND THE METER BOXES COME WITH THE LIDS SO NO EXTRA CHARGES FOR THE LIDS.
- METER REPLACEMENTS 180 AT \$110.00 EACH METER IN USA BLUEBOOK DIRECT READ METERS ARE BEING SOLD FOR ABOUT \$70.00 EACH SO 180 AT 70.00 = \$12,600.
- THE WATER QUALITY IN GOLDEN SHORES IS GREAT; THE SYSTEM IS NOT REGULARLY CHLORINATED, SO WHY DO THEY NEED ANY AUTOMATIC FLUSH VALVES?
- WHY DOES THIS WATER COMPANY NEED A \$2500.00 PLASMA CUTTER?
- WHY DOES THIS WATER COMPANY NEED A 1890.00 WOOD CHIPPER?

If we reduce the above numbers to be in line with the real world, then keeping everything else the same we reduce the 136900.00 to:

Ball valves \$8,913.60

Meter boxes and lids \$3,600.00

6" gate valves \$18,375.00

Meter replacements \$12,600.00

Automatic flush valves \$0.00

Hand tools \$3,500.00

Volt Meter \$299.99

Thermometer \$115.95

Plasma cutter \$0.00

Wood chipper \$0.00

Total \$47,404.54

This amount is about \$90,000 in maintenance cost that is excessive.

Has the water company contacted the small utilities commission for help with this rate case? They often provide low cost help to small utilities.

The cost of lead and copper testing is less than 100.00 per sample, and the size of the system should be reduced to about 5 samples per 3 years.

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UTILITY COMPLAINT FORM

As I add things up:

96,000.00 salaries

100,000.00 electric costs

47,404.54 repairs and maintenance

9,973.00 additional materials

120,000.00 rate case filing

16,500.00 accounting

500.00 lead and copper sampling

20,555.00 Past due taxes

Total needed 410,932.54

Total earned in 2012: 469,000.00

Total needed 410,932.54

Remaining after expenses: 58,067.46

Non reoccurring costs are \$120,000 for rate case filing. This added to the 58,067.46 left after expenses shows that the water company should have about \$178,000 this is about 38% of the total revenue taken in for 2012 could be taken home or reinvested by the owners of the company.

38% of the revenue is an excessive amount of profit for this size of company. Especially in an area that is mostly retired people living on fixed income. With the economy being down like it is any increase of utility bills could be the difference of some people keeping their homes and losing them.

Thank you.

Mr. and Mrs. Knight

Topock, AZ 86436

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Customer comments entered for the record and filed with Docket Control.

End of Comments

Date Completed: 9/13/2013

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