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Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

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[Signature]

RE: **IN OPPOSITION** to Docket Numbers W-03514A-13-0111 and W-03514A-13-0142 (consolidated)

Dear Judge Nodes and Commissioners,

Payson Water Company (PWC) has moved the Arizona Corporation Commission to grant rate relief by year-end as "a necessary response to an extraordinary opportunity" facing the Company. PWC cannot build a pipeline connecting the Mesa del Caballo (MdC) community with the Town of Payson without WIFA financing. As part of the supporting motion on 08/30/13 to consolidate the two proceedings (W-03514A-13-0111 and W-03514A-13-0142), Mr. Jay Shapiro cites justification as follows:

"This past summer, water hauling pushed bills for about 7,000 gallons of usage up to around \$150 a month. If the TOP-MDC line is in place and operational before next summer, the Company will be able to deliver the same water at a considerably lower cost since there will be no water hauling charges."

The claim of "no water hauling charges" is a contradiction to testimony offered by Jason Williamson at last Wednesday's hearing (09/25/13) and by Robert Hardcastle in his original application for an increase in rates on 04/22/13 (see pages 56, lines 17-20 and 76, lines 21-23). There is no guarantee that water will be available from Town of Payson at anytime, now or in the future. Both men have acknowledged that water may have to be hauled to Mesa del Caballo if Town of Payson doesn't have it available. I allege that it is a false characterization that this intermediate pipeline project is some type of "extraordinary" situation that warrants expedited financing approval and rate relief.

It is clear from the Notice of Filing on 08/30/13, that WIFA loan covenants will not allow PWC to move forward until the general rate case and financing approval are completed and they do not qualify for WIFA financing without additional revenue. The "extraordinary situation" appears to be to collect "interim rates" so additional revenue can be collected to help PWC qualify for financing for the \$1,238,000 pipeline project.

Although I recognize the financial burden that water hauling charges pose to the residents of Mesa del Caballo, the expedited nature of this proceeding has the potential to harm myself and other ratepayers in the other 7 communities served by PWC. I object strenuously to the "fast track approach". I also object to any consideration that my community, Deer Creek Village (DCV), may be impacted by rate increases to support infrastructure improvements for MdC, a community approximately 20 miles away.

The ratepayers have a right to consider the viability, benefits, cost and scope of a costly project such as the one being proposed for Mesa del Caballo and that has not been afforded me in this matter.

I object to the violation of AZCC rule R14-3-208, as I received my public notice 5 days prior to the 09/25/13 hearing, and it is clear from the public record of the procedural conference on 09/04/13 that all parties at that meeting were aware that it would be impossible to meet the 30-day notice required by law, based on the schedule set.

I allege deception is being perpetrated on the ratepayers in this matter and I urge you to take no further actions until a thorough and careful review of the docket is done by the ACC staff.

Sincerely,

Kathleen M. Reidhead

Kathleen M. Reidhead
14406 S. Cholla Canyon Dr. (Mailing Address)
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Reference:

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