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Pg. 1/11

October 4, 2013

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Arizona Corporation Commission
DOCKETED

OCT 04 2013

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

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY	
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RE: In Opposition to Docket Numbers W-03514A-13-0111 and W-03514A-13-0142 (consolidated)

Dear Judge Nodes and Commissioners,

I have reviewed the water reports from the original filing of the rate case (dated 04/22/13). Exhibit A - pages 12-15/279 are Deer Creek Village (DCV) and pages 41-45/279 are Mesa del Caballo (MdC). I have attached "marked up" copies of these originals to this letter. The hand-written notes are made by me in analysis of the data.

For comparison purposes, I looked at the number of customers that each community has. I added each month of the year and divided by 12, to get these averages: MdC = 363 and DCV = 121. As fate (or luck) would have it, MdC has exactly 3 times as many customers as DCV has. This will make the analysis easier.

The storage tank capacity at MdC is a total of 105,000 gallons (see pg. 8/11 attached). The storage tank capacity at DCV is 125,000 gallons (see pg. 4/11 attached). You would expect MdC to have somewhere near 300% storage capacity over DCV, but that is not the case. In fact, MdC has approximately 16% less storage capacity than DCV.

In my analysis, I focused on the 5 summer months, May - Sept., as this is when the severe water shortages occur at MdC.

MdC: Average May-Sept. Gallons Sold = 1,179 (thousands) and Gallons Pumped = 1,223 (thousands) see page 10 of 11 attached. These numbers seem low - definitely not 3X those of DCV, but these are the numbers reported. DCV: Average May-Sept. Gallons Sold = 651 (thousands) and Gallons Pumped = 761 (thousands) see page 6 of 11 attached.

Based on those numbers, it appears that the water being pumped from PWC wells in MdC is adequate overall, but perhaps not during peak consumption time periods. In the reporting, however, only 1 month - June 2012 - shows an inadequate production pumped from PWC wells to cover the gallons sold. That month, there were 1226 (thousands) gallons pumped and 1279 (thousands) gallons sold, which amounts to production of 53 (thousands) gallons less than sold. This is shown on pg. 10/11 attached.

1,179,000 gallons sold divided by 363 households = 3,248 gallons/month/household = average usage.

Next, I looked at reported gallons purchased: 508 (thousands) in May 2012 and 2,874 (thousands) in September 2012. On Page 11/11 attached, these figures are identified as water purchased from water-sharing agreements. It is not clear where and how this water factors into the equations.

Next I went to page 42 of the original filing (identified as page 8/11 attached). WATER COMPANY PLANT DESCRIPTION identifies PWC wells can produce 17.7 gpm, which equates to 25,488 gallons/day X 30 days = 764,640 gallons/month. Water sharing wells can produce 24 gpm, which equates to 34,560 gallons/day X 30 days = 1,036,800 gallons/month. It is not clear how much is available to PWC via water-sharing. However, when you combine these totals, all production wells that can contribute to MdC's supply equals 1,801,440 gallons/month. These calculations do not include ANY WATER HAULING purchases, as far as I can tell.

The MdC maximum production of 1,801,440 gallons/month divided by 363 households = 4,962 gallons/month/household. However, average usage in MdC is 3,248 gallons/month (see page 10/11 attached). This lower average usage (as compared to DCV) is likely due to severe water restrictions and tariffs imposed on this community. By comparison, DCV maximum production of 1,382,400 gallons/month divided by 121 households = 11,424 gallons/month/household. However, average usage in DCV is 5,380 gallons/month (see page 6/11 attached).

I allege the deficiencies experienced at MdC are related to inadequate storage capacity during peak periods, not inadequate water supply (though additional supply would be desired). Accordingly, I would urge the Arizona Corporation Commission (ACC) to order Payson Water Company (PWC) to pursue estimates for construction of an additional storage tank of at least 150,000 gallons (perhaps more) for MdC and abandon the current \$1,238,000 pipeline plan. Banking water would likely eliminate summer shortages. Town of Payson's new water treatment plant under construction has two tanks listed, a 1,000,000 gallon tank at a cost of \$500,000 and a 100,000 gallon tank with agitator is listed at \$300,000.

Based on these preliminary calculations, I would urge the ACC staff to develop an alternate plan for the rate hike proposal that is scheduled for hearing on January 13, 2014 and abandon the current plan.

Sincerely,



Kathleen M. Reidhead

14406 S. Cholla Canyon Dr. (Mailing Address)

Phoenix, AZ 85044

REFERENCE:

Deer Creek Village - Lot 86

198 S. Four Peaks Rd.

Payson, AZ 85541

From Exhibit A
of original filing
on 04/22/13

Pgs. 12-15/279

Deer Creek

Pg. 3/11

COMPANY NAME	Payson Water Co., Inc.		
Name of System:	Deer Creek	ADEQ Public Water System Number:	PWS 04-06 4

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55-086809	5	24	260	6	1	1981
55-512278	1	8	260	6	5/8X3/4	1985
		TOTAL: 32 gpm				

PWC wells

Can produce
46,080 gal/day
X 30 days
1,382,400
gal/month

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
none		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	2	none	
3	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
125,000	1	5000	1
		120	1

TOTAL :

Note: If you are filing for more than one system, please provide separate sheets for each system.

Maximum production of 1,382,400 gal./month
 \div 121 households = 11,424 gal./month/household.

COMPANY NAME	Payson Water Co., Inc.		
Name of System:	Deer Creek	ADEQ Public Water System Number:	PWS 04-064

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC	385
3		
4	PVC	18368
5		
6	PVC	645
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	115
3/4	2
1	1
1 1/2	
2	
Comp. 3	
Turbo 3	3
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

1- pellet chlorinators

STRUCTURES:

846 ft. of 6 ft. chain link security fence

1- 17X30 wood building

1- 7X8 wood building

OTHER:

1- T100GS remote tank monitoring devices

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Payson Water Co., Inc.		
Name of System: Deer Creek	ADEQ Public Water System Number:	PWS 04-064

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	123	357	392	
FEBRUARY	123	379	452	
MARCH	124	371	414	
APRIL	124	551	330	
MAY	122	637	753	
JUNE	122	787	868	
JULY	117	738	959	
AUGUST	119	556	628	
SEPTEMBER	119	537	596	
OCTOBER	119	532	639	
NOVEMBER	120	459	510	
DECEMBER	121	496	426	
TOTALS →		6405	6974	none

Avg. # of
2012
Customers
= 121

What is the level of arsenic for each well on your system? .005 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 Yes No

If yes, provide the GPCPD amount: n/a

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Avg. May-Sept. 2012 (Summer)

Gallons Sold
(thousands)
651

Gallons Pumped
(thousands)
761

difference of 110 = stored(??)

651,000 ÷ 121 households = 5,380 gal./month = avg. usage

From Exhibit A
of original filing
04/22/13

Pgs. 41-45 / 279

Mesa del Caballo

Pg. 7/11

COMPANY NAME	Payson Water Co., Inc.		
Name of System:	Mesa del Caballo	ADEQ Public Water System Number:	PWS 04-030

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55-631113	5	4	104	6	5/8X3/4	1977
55-500270	3	2.2	450	6	5/8X3/4	1981
55-801698	2	0	100	6	5/8X3/4	1984
55-513409	1	3	395	6	5/8X3/4	1986
55-556148	2	8.5	400	6	1	1996
55-801699	1	0	80	6	5/8X3/4	1984
55-621112	0	0	80	6	5/8X3/4	1985

* Arizona Department of Water Resources Identification Number

TOTAL = 17.7 gpm
OTHER WATER SOURCES

PWC Wells (A)

(A)
Can produce 25,488 gal/day X 30 days = 764,640 gal./month

Water Sharing Wells (B)

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
55-588967, 55-560398, 55-585747	4,11,9	see attached
Town of Payson	unknown	see attached

TOTAL = 24 gpm

(B) +
Can produce 34,560 gal/day X 30 days = 1,036,800 gal./month

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	1	none	
5	1		
10	1		
20	1		

1,036,800 gal./month



STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
40,000	1		
20,000	1	80	2
15,000	3	2000	4

TOTAL (A) + (B)
1,801,440 gal./month maximum production

Storage Capacity total = 105,000 gallons

Note: If you are filing for more than one system, please provide separate sheets for each system.

Maximum production of 1,801,440 gal./month ÷ 363 households = 4,962 gal./month/household.

Severe deficiencies appear to be due to lack of adequate storage capacity during peak usage periods.

COMPANY NAME	Payson Water Co., Inc.
Name of System: Mesa del Caballo	ADEQ Public Water System Number: PWS 04-030

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC	738
3	PVC	1422
4	ACP	22,455
5		
6		
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	363
3/4	
1	1
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

2- pelley chlorinator

STRUCTURES:

785 ft. of 6 ft. chain link security fence

1- 6X6 wood structure

7- 8X8 concrete block buildings

OTHER:

4- T100GS remote tank monitoring devices

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Payson Water Co., Inc.
 Name of System: Mesa del Caballo ADEQ Public Water System Number: PWS 04-030

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	364	1001	1005	
FEBRUARY	361	1010	1170	
MARCH	364	940	977	
APRIL	364	1093	1192	
MAY	361	1125	1187	(508)
JUNE	362	(1279)	(1226)	
JULY	365	1292	1298	
AUGUST	360	1129	1163	
SEPTEMBER	362	1072	1243	(2874)
OCTOBER	363	1022	1105	12
NOVEMBER	363	951	1003	
DECEMBER	364	1029	1066	10
TOTALS →		12948	13441	3404

Avg. # of 2012 customers = 363

-53

from water sharing agreements per pg. 11/11

What is the level of arsenic for each well on your system? .003 mg/l
 (If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 Yes No

If yes, provide the GPCPD amount: n/a

Note: If you are filling for more than one system, please provide separate data sheets for each system.

Avg. May-Sept. 2012 (Summer)

Gallons Sold (thousands)

Gallons Pumped (thousands)

1,179

1,223

difference of 44 = stored (??)

1,179,000 gallons ÷ 363 households = 3,248 gal./month/household = avg. usage

	2012 Gallons									
	MdC		MdC		EVP		EVP		Water Purchased	
	Water Purchased	Water Purchased	Water Purchased	Water Purchased	Water Purchased	Water Purchased	Water Purchased	Water Purchased	Water Purchased	Water Purchased
	TOP	WSA	WSA	TOP	WSA	TOP	WSA	TOP	WSA	Total
January	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0
May	51,000	508,000	0	559,000	0	0	0	0	0	559,000
June	286,000	0	0	286,000	0	74,000	0	74,000	0	360,000
July	163,000	0	0	163,000	0	74,000	0	74,000	0	237,000
August	47,000	0	0	47,000	0	15,000	0	15,000	0	62,000
September	42,000	2,874,000	0	2,874,000	0	26,000	0	26,000	0	2,874,000
October	0	12,470	0	54,470	0	18,000	0	18,000	0	80,470
November	0	0	0	0	0	0	0	0	0	18,000
December	0	10,110	0	10,110	0	0	0	0	0	10,110
Total	589,000	3,404,580	10,110	3,993,580	0	207,000	0	207,000	0	4,200,580

huge purchase - WHY?