

WS-02987A-08-0180

ORIGINAL



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ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Richard Martinez

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2013 - 113235

Date: 10/9/2013

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

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2013 OCT 10 P 1:47
AZ CORP COMMISSION
DOCKET CONTROL

Complaint By: First: Karen Last: Christian

Account Name: Karen Christian

Home: (

Street:

Work:

City: San Tan Valley

CBR:

State: AZ Zip: 85143

is: E-Mail

Utility Company: Johnson Utilities L.L.C. d/b/a Johnson Utilities Company

Division: Sewer

Contact Name:

Contact Phone:

Nature of Complaint:

Arizona Corporation Commission

Docket No.: WS-02987A-08-0180

DOCKETED

OCT 10 2013

Docket: Rehearing of Decision 73992

DocketNo: WS-02987A-08-0180

Utility: Johnson Utilities

Position: Con

DOCKETED BY

Comments: In "BP West Coast Products, LLC v. FERC , 374 F.3d 1263 (D.C. Cir.2004)", the Court rejected FERC's distinction between corporate and individual unit holders and overturned the Lakehead policy. The Court held that where a regulated entity did not have taxable income, FERC could not create a "phantom" tax with a corresponding tax allowance borne by ratepayers. The Court concluded that FERC's inclusion of a tax allowance in SFPP's cost-of-service did not evidence reasoned decision making and remanded the case to FERC for further proceedings. We, in San Tan Valley, realize this was overturned. However, we firmly stand on the fact that ethically and morally, this policy is not in the best interest of the ratepayer! We challenge this policy and respectfully request RUCO's re-hearing on this be seriously regarded as potentially, and possibly unconstitutional. Also note: Johnson Utilities, in their May, 2013 newsletter stated: "Also addressed in the rate case, was the possibility of a future rate change based upon a change in the ACC's policy on tax expense for utilities such as Johnson Utilities". This, as you are well aware, is not an accurate statement on this policy. "...tax expense for utilities such as Johnson Utilities" is not accurate. We know they do NOT pay taxes as an LLC, and this policy is strictly for the individual shareholders personal taxes, not the company's taxes. Therefore, we would request JU correct that in any upcoming newsletter as well. I am against this policy on the grounds of the ongoing disputes over it since FERC first passed it in 2005, as well as the ethical side (which I know may not matter in a court of law), yet as a ratepayer, I firmly believe this policy needs to be reviewed multiple times over, and we need to be given the reasons behind this decision for something that is so obviously a "phantom tax" as stated above. And we, the ratepayers, are having to pay this "burden." Thank you for your time and consideration

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

10/09

Emailed to the Phoenix ACC office for docketing.

FILECLOSED.

End of Comments

Date Completed: 10/9/2013

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