

ORIGINAL

OPEN MEETING AGENDA ITEM



0000148945

Arizona Corporation Commission

Public Comment Form

1200 W Washington St - Phx, AZ 85007
(602) 542-4251

RECEIVED

2013 OCT 15 P 4:35

Step 1

This form should be used for public comments pertaining to a specific pending case only. Please be sure to reference the appropriate docket number so your comments are filed in the docket promptly. Please use this link for complaints, inquiries or general inquiries. <http://www.azcc.gov/Divisions/Utilities/forms/ComplaintForm2013.pdf>

Step 2

YOUR NAME Thomas Bremer, East Verde Park Water Comm.	DATE 10/15/2013
ADDRESS 6717 E. Turquoise Ave	PHONE (HOME)
CITY, STATE, ZIP Scottsdale AZ 85253	CELL PHONE
DOCKET YOU WISH TO COMMENT ON: Payson Water Co. consolidated dockets:	DOCKET NUMBER W-03514A-13-0111 & W-03514A-13-0142
CASE OR UTILITY NAME Payson Water Co. (PWC)	YOUR POSITION ON THE DOCKET PRO <input type="checkbox"/> CON <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>
E-MAIL ADDRESS tcbremer@netzero.net	

Step 3

ENTER YOUR COMMENTS HERE:

This comment/complaint is in response to Footnote #2, on page 4 of the recommendation of Administrative Law Judge Dwight D. Nodes, which is filed as an attachment to Document #000148779, in connection with the above-referenced consolidated dockets in the matter of Payson Water Company's (PWC) applications to incur debt and impose increases in fees and rates for water.

The footnote is a rebuttal to public comments made by myself and some other PWC customers during the Phase 1 public hearing on September 25, 2013, regarding the impact of these dockets on PWC's customers in the East Verde Estates and other communities. These comments reflected some misinterpretations of the Arizona Administrative Code and of the details of the PWC applications.

These misinterpretations were the direct result of insufficient time provided between PWC's public notice and the September 25 hearing, to adequately research and prepare for the hearing. I received the public notice in my water bill from PWC on the evening of September 24, a mere 16 hours before the hearing. My complete statement is attached.

Step 4

This form may be completed, printed, mailed or faxed to:

Arizona Corporation Commission
Consumer Services Section
1200 W. Washington St
Phoenix, AZ 85007

Arizona Corporation Commission

DOCKETED

OCT 15 2013

DOCKETED BY	
-------------	--

Page 1 of 3

Here, for reference, is transcribed Footnote #2 of the recommendation of Administrative Law Judge Dwight D. Nodes (Reference Docket W-03514A-13-0142, Document No. 000148779, Page 4):

"During public comment at the beginning of the hearing, as well as through subsequent written comments, several customers expressed concern with the timing of the notice and hearing for the expedited Phase 1 proceeding and suggested that the Commission's procedural rules were violated, pursuant to Arizona Administrative Code ("A.A.C.") R14-3-208, which they assert requires 30 days notice prior to the Commission holding a hearing. However, the rule cited by these customers applies to hearings conducted by the Arizona Power Plant and Transmission Line Siting Committee, not the Arizona Corporation Commission. The applicable rule for Commission proceedings is A.A.C. R14-3-109, which states that 10 days notice is to be given prior to a hearing "unless otherwise provided by law or as ordered by the Commission." In this case, as is discussed below, the WIFA deadline for financing approval by the Commission necessitated the scheduling of an expedited hearing in this matter in order for the first phase of the pipeline project to be completed by the summer of 2014 - to enable PWC to deliver water directly from the Town of Payson and avoid the expensive water hauling charges that have been assessed to Mesa del Caballo customers in prior years."

"Further, contrary to the concerns expressed by certain customers located in other systems outside Mesa del Caballo, PWC's financing request for the Cragin pipeline, including the expedited Phase 1 request for the Payson interconnection, will affect only customers in the Mesa del Caballo system and not customers in other PWC systems."

Response #1 - Time between Public Notice and Hearing:

I acknowledge that my reference to Arizona Administrative Code (AAC) R14-3-208, requiring that public hearings are held not sooner than 30 days after public notice was incorrect. AAC R14-3-109, requiring 10 days notice applies. However, either way, EVP residents were afforded as little as a 1 day notice.

Response #2 - Affect of PWC's Financing of the Mesa del Caballo / Cragin Project on PWC Customer in Other PWC Systems:

The details of the Mesa del Caballo / Cragin financing and impact on PWC customers in other communities are buried in the details of the original PWC application for rate and fee increases, Docket W-03514A-13-0111, Document No. 0000145511. This 279-page document includes the testimony of PWC's accountant, Thomas J. Bourassa, who notes that the surcharges for debt and operating & maintenance costs for the Mesa del Caballo interconnect pipeline and other infrastructure will be borne entirely by PWC customers at Mesa del Caballo. However, the distinctions between the general fee and rate increases for all PWC customers in all communities and the increased costs specific to Mesa del Caballo are not clarified up front, in the enumerated points in the body of the application. Mr. Bourassa's testimony begins 60 pages into the document.

In Summary:

In both cases, these misinterpretations are the direct result of the insufficient advance notification given me and other affected parties, contrary to the requirements of the Arizona Administrative Code. Advance notice of less than 1 day is outrageous, illegal, and blatantly unfair.

The justification provided for waiving the 10-day notice requirement is that this was necessary to accommodate the WIFA deadline for financing approval. It is not reasonable for the financing schedule to out-prioritize the notification-to-hearing schedule that is specified by law in order to protect the rights of affected parties. The PWC application for financing was filed months ago, in May 2013. Furthermore, it should be noted that the recorded Corporation Commission meeting on September 4 between Judge Nodes and PWC's attorney, shows that agreement was reached between the Judge and PWC to hold the hearing before the end of September. This meeting was 21 days before the Phase 1 hearing. The breach of the AAC requirement regarding the time between public notice and the hearing could have been avoided with simple planning and diligence by Payson Water Company.

Other than these misinterpretations, I stand by my objections to PWC's proposed rate and fee increases at East Verde Estates and other communities outside of Mesa del Caballo, as described in my Customer Comments (Reference Document No. 0000148590), which are the basis for my Motion to Intervene (Reference Document No. 0000148589).

Thomas Bremer