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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

- BOB STUMP, Chairman
- GARY PIERCE
- BRENDA BURNS
- BOB BURNS
- SUSAN BITTER SMITH

2014 FEB 11 P 4:02

AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

IN THE MATTER OF THE APPLICATION
OF ARIZONA WINDSONG REALTY, INC.
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANT AND PROPERTY
AND FOR ADJUSTMENTS TO ITS RATES
AND CHARGES FOR UTILITY SERVICE
FURNISHED BY ITS EASTERN GROUP
AND FOR CERTAIN RELATED APPROVALS.

Docket No. W-02250A-14-0028

NOTICE OF FILING

Arizona Windsong Realty, Inc. ("Windsong") provides notice of filing the Declaration of Mr. Patton Earl Paulsell regarding customer notice.

RESPECTFULLY SUBMITTED this 11th day of February 2014.

ROSHKA DEWULF & PATTEN, PLC

By Timothy J. Sabo
 Timothy J. Sabo
 One Arizona Center
 400 East Van Buren Street, Suite 800
 Phoenix, Arizona 85004

Original + 13 copies of the foregoing filed this 11th day of February 2014, with:

Docket Control
 Arizona Corporation Commission
 1200 West Washington
 Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED
 FEB 11 2014

DOCKETED BY [Signature]

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Copies of the foregoing hand-delivered/mailed
this 11th day of February 2014, to:

Lyn A. Farmer, Esq.
Chief Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Janice Alward, Esq.
Chief Counsel, Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Steven Olea, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Mr. Patton Earl Paulsell, President
Arizona Windsong Water Company
PO Box 261
Sanders, Arizona 86512

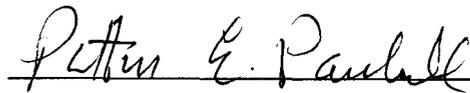
By 

State of Arizona)
County of Apache)

Declaration of Patton Earl Paulsell

I, Patton Earl Paulsell hereby declare under penalty of perjury that:

1. I am the President of Arizona Windsong Water Co.
2. I caused the customer notice letter attached as Exhibit A hereto to be mailed to each customer of the company on or before January 31, 2014.



Patton Earl Paulsell

Signed under penalty of perjury this ___ day of February, 2014

Exhibit

"A"

Arizona Windsong Water Company
P.O. Box 261
Sanders, AZ 86512

Dear Customer:

Our water company has operated under the same water rates since 1979. We have worked very hard to maintain the system and to keep water costs as low as possible but after 34 years with the same rates we have run into challenges.

The Arizona Department of Environmental Quality recently conducted an inspection of our system and determined that we need to hire a certified operator and to step up our maintenance program on the system. Unfortunately, to comply with the Department's standards we will need a significant rate increase.

We know that water is precious and that each of us has to make hard choices about money. We are sorry to inform you that we believe the water rates are going to have to go up dramatically. Currently the median bill is around \$25 a month; it may have to go as high as \$62 a month. What the rate winds up being is not up to us; we simply have to develop a plan to fix the Department of Environmental Quality issues and then figure out how much it could cost Windsong to address the Department's issues.

We are filing a rate increase application with the Arizona Corporation Commission (ACC). The ACC is the agency that evaluates utility rates and sets the rates for water and power for utility companies in Arizona. We are also working with the Department of Environmental Quality to develop a plan to address their findings about what Windsong needs to improve. The ACC will evaluate our rate increase request and determine whether our plan and our expected costs are appropriate and the ACC will then set new rates.

The biggest driver of the rate increase will probably be our need to hire a certified operator – but we also need to make improvements to our facilities so that we can continue providing you and your family with safe, reliable water.

On the next page you will find the ACC-required Customer Notification form; it has information about how to contact the ACC including an 800 number to find out more about the ACC and this rate increase process. That contact information is: **ACC Consumer Services Section at (800) 222-7000.**

We are sure that this letter will be upsetting to you and we are sorry for the stress and worry this may cause you. All we can say is that we have to comply with government regulations and those regulations come at a high cost; we have tried to keep the rates very low for a very long time – probably too long. But we have to deal with this situation now to continue providing you with safe reliable water service.

Sincerely,

Pat and Lili Paulsell

CUSTOMER NOTIFICATION

Arizona Windsong Water has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since 1971. An increase in rates is necessary at this time due to the need to hire an Arizona Department of Environmental Quality Certified Operator and to begin improvements to the water system to address deficiencies identified by the Department in its Field Inspection dated December 3, 2013.

Based on the Company's un-audited Test Year results, Windsong realized an operating loss of \$2,835. The Company is requesting a revenue increase of \$55,873 or 260% of total revenues. Please see the attached pages Error! Bookmark not defined., 9 and Error! Bookmark not defined. of the Company's application for the current and proposed rates.

The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street (for Tucson, call 800-535-0148 if located outside the Tucson local calling area or 520-628-6555 if inside the Tucson local calling area) and at *Windsong Water*. Please be advised that the rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application.

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's Application, including service, billing procedures or other factors important in determining the reasonableness of charges. Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at (800) 222-7000 (if located outside the Phoenix local calling area) or 602-542-4251 in the Phoenix local calling area. Customers may also contact the Tucson Commission office by calling 800-535-0148 (if located outside the Tucson local calling area) or 520-628-6555 in the Tucson local calling area.

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, customer comments submitted in writing will be placed in the office file, which the Commission reviews prior to making its final decision on the Application. It is important that customers contact the Commission within 15 days of the receipt of this notice so that the Commission's Staff can consider customer comments and concerns in developing its recommendations to the Commission.