

W-03514A-13-0111
W-03514A-13-0142



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ARIZONA CORPORATION COMMISS

UTILITY COMPLAINT FORM

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Investigator:

Phone:

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Priority: Respond Within Five Days

2014 MAR - 1 A 9:03

ORIGINAL

Opinion No. 2014 - 115306

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Date: 3/5/2014

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

Arizona Corporation Commission

DOCKETED

First:

Last:

MAR 07 2014

Complaint By: Kathleen M.

Reidhead

Account Name: John Reidhead

Home:

DOCKETED BY

Street:

Work: (000) 000-0000

City: Phoenix

CBR:

State: AZ Zip: 85044

is: E-Mail

Utility Company: Payson Water Co., Inc.

Division: Mesa Del Caballo

Contact Name:

Contact Phone:

Nature of Complaint:

Reference: Docket #W-03514A-13-0111 & W-03514A-13-0142.

My due process rights were violated when the State of Arizona Corporation Commission issued Decision 74175 on October 25, 2013 in the Phase 1 portion of this case without affording me an opportunity to intervene in the process. I am seeking rescision of that Phase 1 Decision, as per A.R.S. §40-252. There are serious irregularities noted in these proceedings before the ACC, as well as newly discovered material evidence which could not have been discovered and produced at the Phase 1 Hearing. Additionally, the Phase 1 Decision is not justified by the evidence that was produced during the Phase 2 portion of the case. Ratepayers from the other 7 communities outside of MdC have been told that they would not be asked to pay for any part of the TOP/MdC pipeline project. However, the Phase 1 Decision issued by the ACC adopted the Staff Report from 09/18/13, which includes the following language,

"That the Commission affirm in the Phase 1 Order its intent to process PWC's pending rate case prior to the end of 2014, with a final Decision resulting in a debt service coverage ("DSC") ratio of 1.2 or greater for the resulting WIFA loan approval."

That language arises from WIFA advising "that PWC's financial capability would be enhanced if the Commission would commit to completing the Company's permanent rate case by the end of 2014, and provide rates sufficient to achieve a DSC of 1.2 or greater."

This indicates that prior to the Phase 1 Decision, it was known that a certain level of revenue would be needed and sought in the permanent rate case to satisfy the WIFA loan requirement. That revenue is currently being sought from all 8 of the systems served by PWC, as the rate design includes only one consolidated rate structure for all 8 water systems. The rate design must provide adequate revenue to cover that DSC ratio, as required by the Phase 1 Decision. Therefore, the Phase 1 Decision polluted the process of rate setting in Phase 2, to the peril of the ratepayers, without affording them their rights to due process. This is unjust and unreasonable, which is unlawful, pursuant to A.R.S. §40-361. Further, there is evidence in the case that the Company may have engaged in an effort to deceive and defraud the ratepayers, so a criminal investigation should be undertaken.

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Please contact the Attorney General and aid in an investigation, as required per §40-421.
End of Complaint

Utilities' Response:

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Investigator's Comments and Disposition:

Opinion noted and filed in Dockets No. W-03514A-13-0111 & W-03514A-13-0142.
End of Comments

Date Completed: 3/5/2014

Opinion No. 2014 - 115306
