

OPEN MEETING AGENDA ITEM



BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

Arizona Corporation Commission

DOCKETED

APR 02 2014

COMMISSIONERS

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

2014 APR -2 P 4:11

AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED BY	
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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

ORIGINAL

Arizona Windsong Realty, Inc. ("Windsong") files the attached proof of customer notice regarding Windsong's motion for an emergency rate surcharge.

RESPECTFULLY SUBMITTED this 2<sup>nd</sup> day of April 2014.

ROSHKA DEWULF & PATTEN, PLC

By

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

Attorney for Arizona Windsong Realty, Inc.

Original + 13 copies of the foregoing filed this 2<sup>nd</sup> day of April 2014, with:

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

**ROSHKA DEWULF & PATTEN, PLC**  
ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

1 Copies of the foregoing hand-delivered/mailed  
2 this 2<sup>nd</sup> day of April 2014, to:

3 Lyn A. Farmer, Esq.  
4 Chief Administrative Law Judge  
5 Hearing Division  
6 Arizona Corporation Commission  
7 1200 West Washington  
8 Phoenix, Arizona 85007

9 Janice Alward, Esq.  
10 Chief Counsel, Legal Division  
11 Arizona Corporation Commission  
12 1200 West Washington  
13 Phoenix, Arizona 85007

14 Steven Olea, Director  
15 Utilities Division  
16 Arizona Corporation Commission  
17 1200 West Washington  
18 Phoenix, Arizona 85007

19 Lili Paulsell  
20 Arizona Windsong Water Company  
21 PO Box 261  
22 Sanders, Arizona 86512

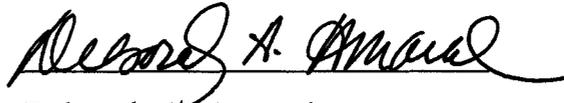
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27  
By *Melissa A. Munn*

State of Arizona        )  
County of Maricopa    )

**Declaration of Deborah A. Amaral**

I, Deborah A. Amaral hereby declare under penalty of perjury that:

1. I am the Legal Assistant to Timothy J. Sabo, Counsel on behalf 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 April 2, 2014.



Deborah A. Amaral

Signed under penalty of perjury this 2<sup>nd</sup> day of April, 2014

**Exhibit A**

**to Declaration of Deborah A. Amaral**

**Customer Notice Letter**

## **CUSTOMER NOTICE**

### **Notice of Filing of Motion for Emergency/Interim Rate Surcharge**

**Docket No. W-02250A-14-0028**

To the Customers of Arizona Windsong Realty, Inc. d/b/a/ Arizona Windsong Water Company ("Windsong Water"):

On March 24, 2014, Windsong Water filed a Motion for an Emergency/Interim Rate Surcharge with the Arizona Corporation Commission ("ACC"). The Motion requests that the ACC approve an emergency surcharge of \$30.00 per month for each Windsong Water customer. If a surcharge is approved, it will be in effect until the Commission approves a final rate order in Docket No. W-02250A-14-0028. The emergency surcharge is needed to pay for someone to operate the company's plant and equipment, after the death of Mr. Paulsell. The emergency surcharge will be in addition to existing approved tariffs. A copy of the Motion is enclosed.

**Please be advised that, if the ACC approves a surcharge, the ACC may approve a surcharge greater or less than the amount requested by Windsong Water.**

Customer input is an important part of the Commission's analysis of the requested emergency surcharge. 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.

The Company has requested that its Motion for Emergency /Interim Surcharge be considered by the Commission at a forthcoming Open Meeting. Please check the Commission's website for the Commission's Open Meeting Notice to determine when the matter may be heard. The Commission's next Open Meeting is scheduled for April 8 and 9, 2014. Open Meeting notices can be viewed on the Commission's website, [www.azcc.gov/](http://www.azcc.gov/). Also, you can check Docket No. W-02250A-14-0028 for information concerning the time and place scheduled by the Commission to consider this matter.

**ADA/Equal Access Information**

The Arizona Corporation Commission does not discriminate on the basis of disability in admission to Public meetings. Persons with disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail [SABernal@azcc.gov](mailto:SABernal@azcc.gov), voice phone number (602) 542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

1 **COMMISSIONERS**

2 BOB STUMP, Chairman

3 GARY PIERCE

4 BRENDA BURNS

5 BOB BURNS

6 SUSAN BITTER SMITH

RECEIVED

2014 MAR 24 P 4: 35

ARIZONA CORP COMMISSION  
DOCKET CONTROL

7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 IN THE MATTER OF THE APPLICATION  
9 OF ARIZONA WINDSONG REALTY, INC.  
10 AN ARIZONA CORPORATION, FOR A  
11 DETERMINATION OF THE FAIR VALUE  
12 OF ITS UTILITY PLANT AND PROPERTY  
13 AND FOR ADJUSTMENTS TO ITS RATES  
14 AND CHARGES FOR UTILITY SERVICE  
15 FURNISHED BY ITS EASTERN GROUP  
16 AND FOR CERTAIN RELATED APPROVALS.

Docket No. W-02250A-14-0028

**MOTION FOR EMERGENCY /  
INTERIM SURCHARGE**

17 Arizona Windsong Realty, Inc. ("Windsong") regrettably reports the death of its President,  
18 Patton ("Pat") Earl Paulsell. In addition to serving as President and sole Director of Windsong,  
19 Mr. Paulsell maintained and operated the Windsong system, while his wife performed accounting,  
20 billing and other office-related tasks. Windsong has no other officers or employers other than Mr.  
21 and Mrs. Paulsell. Nor does Windsong have the financial capability to hire any employees, as  
22 shown by the Direct Testimony of Mr. Paul Walker dated January 31, 2014 in this docket, and the  
23 rate application submitted on January 31, 2014 in this docket. Mr. Paulsell's death leaves  
24 Windsong without any operator for the system. Accordingly, Windsong is in an emergency that  
25 threatens its ability to provide service. Windsong therefore requests an emergency surcharge.  
26 The emergency surcharge will allow Windsong to hire a certified operator to operate the system.

27 **Description of emergency surcharge.**

Windsong requests an emergency surcharge of \$30.00 per month, to remain in effect until  
the Commission issues a final order in this general rate case, and the rates in the final order take  
effect. Windsong has approximately 61 customers, so the emergency surcharge is anticipated to  
generate \$1,830 per month. The emergency surcharge will be used to hire a certified operator to

1 run the system. As described in Mr. Walker's testimony, we have located a certified operator, Mr.  
2 Terry Oldham, who is willing to take over operation of the company. On March 19, 2014,  
3 Windsong filed Mr. Oldham's plan for addressing the most urgent infrastructure needs of the  
4 company. However, the emergency surcharge requested herein will only pay for Mr. Oldham's  
5 salary and will not provide funds to proceed with any of these projects.

6 **Legal authority for emergency or interim surcharge.**

7 An interim rate is a rate "permitted to be charged by the utility for products or services  
8 pending the establishment of a permanent rate." *Scates v. Arizona Corp. Comm'n*, 118 Ariz. 531,  
9 535, 578 P.2d 612 (Ct. App. 1978). An emergency or interim rate is permitted in: "limited  
10 situations where [1] an emergency exists, [2] where a bond is posted guaranteeing a refund to the  
11 utility's subscribers if any payments are made in excess of the rates eventually determined by the  
12 Commission, and where [3] a final determination of just and reasonable rates is to be made by the  
13 Commission after it values a utility's property." *Id.*, citing Arizona Attorney General Opinion 71-  
14 17; *see also Residential Utility Consumer Office v. Arizona Corp. Comm'n*, 199 Ariz. 588 ¶ 12, 20  
15 P.3d 1169, 1172 (Ct. App. 2001).

16 Here, there is clearly an emergency that threatens Windsong's ability to provide service,  
17 because Windsong has no operator and no funds to hire an operator. Moreover, a final  
18 determination of just and reasonable rates will be made in this docket. Given the extremely  
19 limited financial resources of the Company, Windsong requests that the bond be modest, similar to  
20 the bond requirement imposed in the recent Montezuma Rimrock Water Company case. See  
21 Decision No. 74382 (March 19, 2014)("Montezuma Rimrock Water Company shall obtain a  
22 performance bond, or other comparable financial instrument in the amount of \$10, and shall  
23 provide the original to the Commission's Business Office for safekeeping and file copies with  
24 Docket Control as a compliance item in this docket prior to charging the interim surcharge").

25 **Conclusion.**

26 Windsong faces an emergency situation, and requests this emergency surcharge to allow it  
27 to continue to provide service to its customers.

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RESPECTFULLY SUBMITTED this 24<sup>th</sup> day of March 2014.

ROSHKA DEWULF & PATTEN, PLC

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Original + 13 copies of the foregoing  
filed this 24<sup>th</sup> day of March 2014, with:

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

Copies of the foregoing hand-delivered/mailed  
this 24<sup>th</sup> day of March 2014, to:

Bob Stump, Chairman  
Arizona Corporation Commission  
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Phoenix, Arizona 85007

Commissioner Gary Pierce  
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Phoenix, Arizona 85007

Commissioner Brenda Burns  
Arizona Corporation Commission  
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Phoenix, Arizona 85007

Commissioner Susan Bitter Smith  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

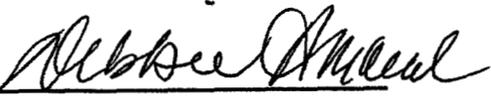
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