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BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKET NO: W-03514A-13-0111

Arizona Corporation Commission

DOCKETED

APR 15 2014

DOCKETED BY

DOCKET NO: W-03514A-13-0142

ORIGINAL

Response to Notice of Filing - Miscellaneous
04/15/14

8 IN THE MATTER OF THE APPLICATION
9 OF PAYSON WATER CO., INC., AN
10 ARIZONA CORPORATION, FOR A
11 DETERMINATION OF THE FAIR VALUE
12 OF ITS UTILITY PLANTS AND
13 PROPERTY AND FOR INCREASES IN ITS
14 WATER RATES AND CHARGES FOR
15 UTILITY SERVICE BASED THEREON.
16
17 IN THE MATTER OF THE APPLICATION
18 OF PAYSON WATER CO., INC., AN
19 ARIZONA CORPORATION, FOR
20 AUTHORITY TO: (1) ISSUE EVIDENCE
21 OF INDEBTEDNESS IN AN AMOUNT
22 NOT TO EXCEED \$1,238,000 IN
23 CONNECTION WITH INFRASTRUCTURE
24 IMPROVEMENTS TO THE UTILITY
25 SYSTEM; AND (2) ENCUMBER REAL
26 PROPERTY AND PLANT AS SECURITY
27 FOR SUCH INDEBTEDNESS.
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30 Kathleen M. Reidhead, "KMR", objects to the filing posted by Payson Water Company, "PWC" to
31 the Docket of this case yesterday, on the basis that it is late-filed, outside of the timeframe allotted for
32 Closing Brief statements in the case. KMR was of the understanding that the Docket was closed to
33 parties of the case after final briefs were filed on March 31, 2014.

35 Further, PWC's filing misrepresents the impact the proposed new rates will have on full-time
36 residents of the communities served by PWC and can be viewed as another attempt to mislead the
37 ratepayers.

39 In some of the communities served by PWC, the "average usage" of water is significantly lower
40 than what should be expected for domestic consumption, which can be reasonably attributed to the
41 impact of part-time/weekend residents.
42

1 According to numerous reputable sources¹, the average American uses approximately 100
 2 gallons of water per day per person. Arizona's average usage is reported higher than the National
 3 average at approximately 140 gallons of water per day per person, as shown on Exhibit A attached,
 4 prepared by the U.S. Geological Service, found at the following link:
 5 <http://water.usgs.gov/edu/wateruse/pdf/wudomestic-2005.pdf>.

6
 7 Accordingly, PWC's filing does not paint an accurate picture of what the proposed rate increase
 8 will look like for full-time residents. According to the National average, a single person household would
 9 use approximately 3,000 gallons of water per month. So the "average usage" reported by PWC for
 10 Mead Ranch, East Verde Estates, Geronimo Estates/Elusive Acres and Whispering Pines is lower than
 11 what would be expected for even a single person living in each household. Therefore, it should be
 12 assumed that the number of part-time/weekend residents of all 8 communities skews the "average
 13 usage" lower than usage will be for full-time residents. Since full-time residents will use greater
 14 quantities of water than the "average usage" reported, their "average monthly bill impact" will also be
 15 greater than what is shown on PWC's filing on April 14, 2014.

16
 17 A more accurate depiction of the proposed new rates on a full-time, 2 person household using
 18 100 gallons of water per day per person would be:

<u>System Name</u>	<u>Full-time Residents Avg. Monthly Usage - 2 persons</u>	<u>Average Monthly Bill Impact</u>
Mead Ranch	6,000 gallons	From \$29.70 to \$57.99 or 95%
East Verde Estates	6,000 gallons	From \$29.70 to \$57.99 or 95%
Flowing Springs	6,000 gallons	From \$29.70 to \$57.99 or 95%
Geronimo Estates/Elusive Acres	6,000 gallons	From \$29.70 to \$57.99 or 95%
Mesa del Caballo	6,000 gallons	From \$29.70 to \$57.99 or 95%
Whispering Pines	6,000 gallons	From \$29.70 to \$57.99 or 95%
Deer Creek Village	6,000 gallons	From \$29.70 to \$57.99 or 95%
Gisela/Tonto Creek Shores	6,000 gallons	From \$25.88 to \$57.99 or 124%

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¹Sources: <http://water.usgs.gov/edu/qa-home-percapita.html>,
<http://water.usgs.gov/edu/wateruse/pdf/wudomestic-2005.pdf>,
<http://www.epa.gov/WaterSense/pubs/indoor.html>, and
http://pswid.org/Documents/Water%20Docs%20General/Water_Facts.pdf

1
2 Similarly, for a full-time, 4 person household using 100 gallons of water per day per person, the
3 proposed new rates will have the following impact:

4

<u>System Name</u>	<u>Full-time Residents</u> <u>Avg. Monthly Usage - 4 persons</u>	<u>Average Monthly Bill Impact</u>
Mead Ranch	12,000 gallons	From \$47.64 to \$107.88 or 126%
East Verde Estates	12,000 gallons	From \$47.64 to \$107.88 or 126%
Flowing Springs	12,000 gallons	From \$47.64 to \$107.88 or 126%
Geronimo Estates/Elusive Acres	12,000 gallons	From \$47.64 to \$107.88 or 126%
Mesa del Caballo	12,000 gallons	From \$47.64 to \$107.88 or 126%
Whispering Pines	12,000 gallons	From \$47.64 to \$107.88 or 126%
Deer Creek Village	12,000 gallons	From \$47.64 to \$107.88 or 126%
Gisela/Tonto Creek Shores	12,000 gallons	From \$34.76 to \$107.88 or 210%

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24 Accordingly, the filing posted by the Company yesterday significantly underestimates the water
25 usage for full-time residents and the impact that the proposed new rates will have on them. Since full-
26 time residents will bear the heaviest burden of the new rates, it should be more accurately disclosed to
27 the ratepayers and the Corporation Commission.

28
29 Respectfully submitted this 15th day of April, 2014.

30
31 By Kathleen M. Reidhead
32 Kathleen M. Reidhead, Intervener
33 14406 S. Cholla Canyon Dr.
34 Phoenix, AZ 85044
35

36 ORIGINAL and thirteen (13) copies
37 of the foregoing were filed this 15th
38 day of April, 2014 with:

39
40 Docket Control
41 Arizona Corporation Commission
42 1200 W. Washington Street
43 Phoenix, AZ 85007

1
2 **COPY** of the foregoing was mailed
3 this 15th day of April, 2014 to:
4

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Kathleen M. Reidhead

Exhibit A

Domestic water withdrawals and deliveries, 2005.

[Values may not sum to totals because of independent rounding; Mgal/d, million gallons per day; gal/d, gallons per day; n/a, not applicable]



State	Self supplied					Public supply				Total use		
	Self-supplied population (in thousands)	Percent of total population	Withdrawals (in Mgal/d)			Self-supplied per capita use (in gal/d)	Population served (in thousands)	Water deliveries (in Mgal/d)	Public-supply per capita use (in gal/d)	Total population (in thousands)	Water use (withdrawals and deliveries, in Mgal/d)	Total domestic per capita use (in gal/d)
			Ground-water	Surface water	Total							
Alabama	521	11	39.1	0	39.1	75	4,040	326	81	4,560	365	80
Alaska	235	35	13.4	.68	14.1	60	429	46.8	109	664	60.9	92
* Arizona	218	4	27.2	0	27.2	125	5,720	802	140	5,940	830	140
Arkansas	200	7	17.8	0	17.8	89	2,580	254	99	2,780	272	98
California	2,710	7	429	57.2	486	179	33,400	3,980	119	36,100	4,470	124
Colorado	299	6	34.4	0	34.4	115	4,370	530	121	4,670	564	121
Connecticut	841	24	63.1	0	63.1	75	2,670	200	75	3,510	263	75
Delaware	80.4	10	6.43	0	6.43	80	763	44.6	58	844	51.1	61
District of Columbia	0	0	0	0	0	n/a	582	82.7	142	582	82.7	142
Florida	1,790	10	190	0	190	106	16,100	1,530	95	17,900	1,720	96
Georgia	1,600	18	120	0	120	75	7,470	727	97	9,070	847	93
Hawaii	74.0	6	12.2	0	12.2	165	1,200	198	165	1,280	210	165
Idaho	424	30	86.6	0	86.6	204	1,010	181	180	1,430	267	187
Illinois	1,130	9	101	0	101	90	11,600	1,050	90	12,800	1,150	90
Indiana	1,630	26	124	0	124	76	4,650	353	76	6,270	477	76
Iowa	531	18	34.6	0	34.6	65	2,440	158	65	2,970	193	65
Kansas	149	5	14.9	0	14.9	100	2,600	209	80	2,740	223	81
Kentucky	696	17	22.2	12.6	34.8	50	3,480	243	70	4,170	278	67
Louisiana	551	12	44.0	0	44.0	80	3,970	485	122	4,520	529	117
Maine	575	44	34.1	0	34.1	59	746	37.8	51	1,320	71.9	54
Maryland	929	17	74.3	0	74.3	80	4,670	536	115	5,600	610	109
Massachusetts	527	8	40.5	0	40.5	77	5,870	487	83	6,400	528	82
Michigan	2,910	29	251	0	251	86	7,210	559	77	10,100	810	80
Minnesota	1,110	22	77.8	0	77.8	70	4,020	273	68	5,130	351	68
Mississippi	555	19	56.4	0	56.4	102	2,370	284	120	2,920	340	116
Missouri	850	15	59.5	0	59.5	70	4,950	452	91	5,800	512	88
Montana	301	32	22.4	1.06	23.5	78	635	81.0	128	936	104	112
Nebraska	313	18	52.1	0	52.1	167	1,450	185	128	1,760	237	135
Nevada	182	8	37.4	0	37.4	206	2,230	421	189	2,410	459	190
New Hampshire	555	42	41.6	.09	41.6	75	755	56.6	75	1,310	98.2	75
New Jersey	961	11	79.5	0	79.5	83	7,760	525	68	8,720	605	69
New Mexico	377	20	32.0	0	32.0	85	1,550	175	113	1,930	207	107
New York	1,870	10	140	0	140	75	17,400	1,720	99	19,300	1,860	97
North Carolina	2,300	26	161	0	161	70	6,390	444	69	8,680	604	70
North Dakota	105	16	8.90	0	8.90	85	532	48.8	92	637	57.7	91
Ohio	1,990	17	146	3.00	149	75	9,470	643	68	11,500	792	69
Oklahoma	295	8	25.1	0	25.1	85	3,250	276	85	3,540	301	85
Oregon	707	19	69.5	8.22	77.7	110	2,930	363	124	3,640	441	121
Pennsylvania	2,540	20	152	0	152	60	9,890	552	56	12,400	704	57
Rhode Island	85.9	8	6.10	0	6.10	71	990	79.3	80	1,080	85.4	79
South Carolina	1,270	30	127	0	127	100	2,980	298	100	4,260	426	100
South Dakota	110	14	7.67	0	7.67	70	666	65.6	99	776	73.3	94
Tennessee	509	9	36.7	0	36.7	72	5,450	443	81	5,960	479	80
Texas	2,230	10	257	0	257	115	20,600	2,870	139	22,900	3,130	137
Utah	68.5	3	11.8	2.11	13.9	203	2,480	460	186	2,550	474	186
Vermont	185	30	13.7	.17	13.9	75	438	25.8	59	623	39.8	64
Virginia	1,680	22	126	0	126	75	5,890	442	75	7,570	568	75
Washington	904	14	86.0	.02	86.0	95	5,380	562	104	6,290	648	103
West Virginia	420	23	32.8	.66	33.5	80	1,400	149	107	1,820	183	101
Wisconsin	1,670	30	87.3	0	87.3	52	3,870	229	59	5,540	316	57
Wyoming	84.4	17	6.32	0	6.32	75	425	71.0	167	509	77.4	152
Puerto Rico	30.7	1	2.11	0	2.11	69	3,880	347	89	3,910	349	89
U.S. Virgin Islands	35.7	33	0	1.95	1.95	55	73.0	5.33	73	109	7.28	67
TOTAL	42,900	14	3,740	87.7	3,830	89	258,000	25,600	99	301,000	29,400	98

USGS Water-Science School -- <http://ga.water.usgs.gov/edu/wudo.html>

Source: Kenny, J.F., Barber, N.L., Hutson, S.S., Linsey, K.S., Lovelace, J.K., and Maupin, M.A., 2009, Estimated use of water in the United States in 2005: U.S. Geological Survey Circular 1344, 52 p.

Document found at: <http://water.usgs.gov/edu/wateruse/pdf/wudomestic-2005.pdf>