

FORMAL COMPLAINT



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ORIGINAL

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8 Community Co-op, Inc.

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AZ CORP COMMISSION  
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

FEB 24 2014

COMMISSIONERS

10 BOB STUMP, CHAIRMAN  
11 GARY PIERCE  
12 BRENDA BURNS  
13 SUSAN BITTER SMITH  
14 BOB BURNS

DOCKETED BY  
nr

15 WALDEN MEADOWS COMMUNITY  
16 CO-OP,

Docket Nos. W-02369A-14-0051  
W-20809A-14-0051

COMPLAINT

17 Complainant,

18 v.

19 ACME WATER COMPANY,

20 Respondent.  
21  
22  
23

24 Walden Meadows Community Cooperative ("Walden Meadows"), hereby files  
25 this complaint against ACME Water, LLC ("ACME"), alleging as follows:  
26

27 JURISDICTION AND VENUE

28 1. Walden Meadows is a public service corporation located in Yavapai County,

1 Arizona.

2 2. ACME is a public service corporation located in Yavapai County, Arizona.

3  
4 3. The Arizona Corporation Commission ("Commission") has jurisdiction over  
5 public service corporations located within the State of Arizona.

6 4. The Commission has the power to inspect and investigate the affairs of a public  
7 service corporation doing business within the State of Arizona pursuant to A.R.S. Const.  
8 Art. 15 § 4 and has the power to set emergency and permanent rates of public service  
9 corporations.  
10

#### 11 GENERAL ALLEGATIONS

12  
13 5. In 1984, Walden Meadows entered into a contract to sell 200,000 gallons of water  
14 per month to ACME's predecessor, Wilhoit Water Company ("Wilhoit").

15  
16 6. In 1986, the parties agreed to increase the maximum delivery of water to 400,000  
17 gallons per month.

18 7. The agreement has an emergency clause that would allow the maximum to be  
19 exceeded so long as Walden could meet its own customers' demand.  
20

21 8. In 2008, due to lack of water production from its own wells, Wilhoit complained  
22 to the Commission that it needed more water from Walden Meadows.

23 9. Walden Meadows and Wilhoit negotiated a settlement to the complaint that  
24 allowed Wilhoit to purchase more water from Walden Meadows.  
25

26 10. To meet its customer demands and the demands of Wilhoit, Walden Meadows  
27 increased its water production by drilling an additional well.

28 10. In 2012, the Commission approved the transfer of Wilhoit's assets to ACME.

1 11. In 2012, Wilhoit then its successor ACME purchased approximately 5 million  
2 gallons of water from Walden Meadows.

3  
4 12. In January 2013, a prolonged hard freeze caused numerous line breaks in the  
5 Walden Meadows system.

6 13. In January and February of 2013, Walden Meadows spent an extraordinary  
7 amount of time and money locating and repairing leaks caused by the freeze. .  
8

9 14. In January 2013, Walden Meadows delivered 1,441,600 gallons to ACME.

10 15. Since January 2013, deliveries to ACME have consistently exceeded 1 million  
11 gallons per month.  
12

13 16. In 2013, Walden Meadows delivered more than 18 million gallons of water to  
14 ACME.

15 17. Upon information and belief, Walden Meadows credits the substantial increase in  
16 demand to undiscovered line breaks that occurred during the hard freeze of January 2013.  
17

18 18. ACME has made partial payment for water deliveries since February 2013, but the  
19 balance owed to Walden Meadows continues to grow each month.  
20

21 19. As of December 31, 2013, ACME owed Walden Meadows \$52,952.40.

22 20. Walden Meadows has contacted ACME several times to discuss the situation and  
23 was told that ACME would seek relief from the Commission, including requesting higher  
24 rates to pay for delivered water.  
25

26 21. Walden Meadows has contacted Commission staff several times to notify them of  
27 the situation.  
28

1 **RELIEF SOUGHT**

2 Walden Meadows requests that the Commission enter an order:

- 3
- 4 A. Compelling ACME to investigate the reason for the extraordinary water demand;
- 5 B. Requiring ACME to take all actions necessary to pay Walden Meadows the
- 6 amount owed for water delivered each month;
- 7
- 8 C. Requiring ACME to make reasonable monthly payments on the debt owed to
- 9 Walden Meadows so the debt is paid within a reasonable amount of time; and
- 10 D. Require ACME to immediately file an emergency rate case to address the
- 11 additional expenses related to the past, current, and future water deliveries by Walden
- 12 Meadows.
- 13

14 RESPECTFULLY SUBMITTED this 24 day of February, 2014.

15 **MOYES SELLERS & HENDRICKS LTD.**

16   
17 \_\_\_\_\_  
18 Steve Wene

19 Original and 13 copies of the foregoing  
20 filed this 24<sup>th</sup> day of February, 2014, with:

21 Docket Control  
22 Arizona Corporation Commission  
23 1200 West Washington  
24 Phoenix, Arizona 85007

25 ACME Water Company  
26 Attention Douglas Martin  
27 365 E. Coronado # 200  
28 Phoenix, AZ 85004

