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2014 MAY -9 A 11: 15
AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE
APPLICATION OF PAYSON WATER
CO., INC., AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE FAIR
VALUE OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN
ITS WATER RATES AND CHARGES
FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO. W-03514A-13-0111

Arizona Corporation Commission

DOCKETED

MAY 09 2014

DOCKETED BY 

IN THE MATTER OF THE
APPLICATION OF PAYSON WATER
CO., INC., AN ARIZONA
CORPORATION, FOR AUTHORITY TO:
(1) ISSUE EVIDENCE OF
INDEBTEDNESS IN AN AMOUNT NOT
TO EXCEED \$1,238,000 IN
CONNECTION WITH
INFRASTRUCTURE IMPROVEMENTS
TO THE UTILITY SYSTEM; AND (2)
ENCUMBER REAL PROPERTY AND
PLANT AS SECURITY FOR SUCH
INDEBTEDNESS

DOCKET NO. W-03514A-13-0142

**RESPONSE TO REQUEST FROM
COMMISSIONER PIERCE**

In response to correspondence from Commissioner Gary Pierce dated May 1, 2014, Intervenor William Sheppard makes the response set forth hereinafter.

We should not strive to ameliorate the impact of the rate increase to make it more tolerable by juggling the figures. There has been too much of that already. The

1 rate of increase in all eight communities is way too steep. An increase of over 100% is
2 entirely too high.

3 It is not the customers' fault that the Company has not had a rate increase
4 since 2000. The Corporation Commission should protect the public from this blatant
5 gouging. As voters we expect the Commissioners to do the job we elected you to do. It
6 is not up to staff to make these decisions. It is the Commissioners we will remember
7 when we go to the polls.

8 Mesa del Caballo must be treated separately because of the cost of the
9 pipeline to connect that community to the system in Payson. All the other communities
10 should be treated separately but with equal fairness.

11 Gisela should not be averaged in with the rest of the remaking communities
12 since Gisela is new to the system and would be averaged in at a ludicrously high
13 percentage. Averaging the other communities together would still be ridiculously high at
14 over 70%. You simply have to use your discretion about what would be a fair increase
15 for people who are barely getting by now.

16 Payson Water Company was well aware that Brooke Utilities was operating
17 at a loss but bought the Company any way. For the time being Payson Water Company
18 should continue to absorb the loss.

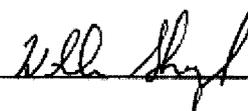
19 A small increase might be appropriate. But that increase should be no more
20 than 10%at this time. The Company is adding customers at Gisela which will help the
21 Company's bottom line for now. However at an increase greater than 10%, the Company
22 will lose customers in droves. Homes will empty, private wells will be built, the
23 Company's losses will increase. And the Corporation Commission will be blamed.

24 People already realize the value of a necessary commodity like water, but
25 they also realize they must cut down and conserve. We do have to flush toilets, wash
26 clothes, bathe and grow vegetables to can and freeze to survive through the year. Most of

1 us are already buying gallons of drinking water to drink and cook with. That is because
2 the quality of water from Payson Water Company is so poor.

3 Any increase should not go into effect until November of this year, after the
4 growing season. After that the situation will need to be carefully monitored to see how
5 many residents move out or drill private wells. This situation is extremely serious as can
6 be seen from the number of angry residents at the recent community hearing in Payson.
7 The Corporation commissioners should do the job they were elected to do - protect the
8 people.

9 RESPECTFULLY SUBMITTED this 9th day of May, 2014.

10
11 By  _____

12 William Sheppard
13 6250 North Central Avenue
14 Phoenix, Arizona 85012
15 Intervenor

16 **ORIGINAL** and thirteen (13) copies of
17 the foregoing were filed this 9th day of
18 May, 2014, with:

19 Docket Control
20 Arizona Corporation Commission
21 1200 W. Washington Street
22 Phoenix, AZ 85007

23 **COPY** of the foregoing was mailed this
24 9th day of May, 2014 to:

25 Dwight D. Nodes
26 Assistant Chief Administrative Law Judge
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