

WS-02987A-13-0477



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ARIZONA CORPORATION COMI
UTILITY COMPLAINT FORM

Investigator: Al Amezcua

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2014 - 116385

Date: 5/27/2014

Complaint Description: 08E Rate Cases Items - In Favor
N/A Not Applicable

First:

Last:

ORIGINAL

Complaint By: Christina

Duml D.V.M.

Account Name: Christina Duml D.V.M.

Home:

Street:

Work: (000) 000-0000

City: Florence

CBR:

State: AZ Zip: 85132

is:

Utility Company: Johnson Utilities L.L.C. d/b/a Johnson Utilities Company

Division: Sewer

Contact Name: Greg Brown

Contact Phone: (

Nature of Complaint:

Name: Christina Duml, D.V.M.

Address:

Phone:

CityStateZip: Florence, AZ 85132

Cell:

Docket: Sale of Assets/Cancellation of CC & N

DocketNo: WS-02987A-13-0477

Utility: Johnson Utilities

Position: Pro

Email:

Arizona Corporation Commission
DOCKETED

MAY 27 2014

DOCKETED BY

DOCKET CONTROL

2014 MAY 27 P 1:17

RECEIVED

Comments: To Chairman Stump and ACC commissioners: As a resident of the unincorporated and the proposed annexation area of the Town of Florence (TOF) I would like to make several comments concerning the proposed sale of Johnson Utilities (JU) to the TOF. First I support this sale; I support the Arizona Corporation Commission's (ACC) conditional cancellation of the Certificate of Convenience & Necessity (CC&N) facilitating the sale of JU to the TOF. Secondly I do not think that we need a Consumer/Citizen Advisory Board. Furthermore, I have concerns as to the TOF charging ratepayers differing water rates that are dependent upon whether the ratepayer resides within or outside the municipal boundaries of the TOF. First, I support this sale based on the transaction's financial information in that it's a good deal for the TOF's residents. The financial risk is minimal since income from the ratepayers will support the utility thereby not burdening the TOF residents with a tax increase to pay for and subsidize JU. I also think that's it's a good deal for Mr. Johnson as he will receive a fair return on his investment. This transaction is a win-win for both the TOF and Mr. Johnson. Further, any concerns as to the adverse risk of JU's current physical assets and business aspects should be disclosed in the real estate transaction documents. I would expect the TOF to take these disclosures into consideration before purchasing JU. Second I support this sale based on the fact that the utility will be sold to a municipality. As such, I would expect that there would be a procedure in place which delineates how any complaint would be filed, processed, and appealed to the state level. Further, I suspect that the TOF would be held accountable to the appropriate state standards concerning water quality, water testing, and consumer notification especially in

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situations such as acute water contamination. In addition any water and/or sewage concerns could be addressed before the TOF council meetings. Based on these expectations, having an Advisory Board would be unnecessary. Finally, I have concerns as to the differing rates that TOF charges based on whether the ratepayer lives within or outside TOF's municipal boundaries. According to Mr. Robert G. Grays' testimony on page 25 of the recent ACC's staff report, presently the TOF charges more to those ratepayers living outside their city limits. For example, currently a ratepayer who lives within the TOF's city limits consuming 5000 gallons of water/month is charged \$28.88. Those who live outside pay \$37.36/month. The one outside pays \$8.48 more monthly, 29% more in fact. Presently JU ratepayers pay \$26.13/month for 5000 gallons. As these folks will be outside the TOF area their rates will jump a whopping 43%. This is unacceptable as all of the ratepayers affected by this transaction should have the same rates. And, as we have been informed, this transaction will not burden the TOF residents by increasing their taxes. As such, their taxes will not be used to purchase or subsidize this purchase therefore there isn't any justification as to charging differing rates between those who live within the city limits and those who live outside of the TOF. I support the sale of JU to the TOF. With that being said I do have two concerns. First, I do not want the establishment of a STV Consumer/Citizen Advisory Board. I would expect that the TOF would have a complaint and state level appeal process in place that all of its ratepayers may use to file grievances. Further, these issues can be addressed before the town council. Second the TOF needs to charge all of their ratepayers the same rates based upon their consumption. I'd like to thank each and every one of you for taking the time to read my comments and for all that you do. Respectfully submitted, Christina Dumal, D.V.M.

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Comments noted for the record and docketed. CLOSED.

End of Comments

Date Completed: 5/27/2014

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