

OPEN MEETING AGENDA ITEM



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2014 JUN -5 P 3:32

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6 BEFORE THE ARIZONA CORPORATION COMMISSION
7

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.

DOCKET NO: W-03514A-13-0111

Arizona Corporation Commission
DOCKETED

JUN 05 2014

DOCKETED BY

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.

DOCKET NO: W-03514A-13-0142

ORIGINAL

REQUEST FOR REHEARING OF
DECISION #74484 - 06/05/14

28
29
30 Intervenor Kathleen M. Reidhead, "KMR", files the following request for a rehearing of Decision
31 #74484, issued on 05/22/2014. As per Arizona Administrative Code R14-3-111 and supported by A.R.S.
32 §40-253 , she requests a rehearing and more careful consideration of all facts in history.

33
34 KMR takes exception with the adoption of the interim PWAM tariff authorized by Decision
35 #74484, for the same reasons stated in her document #153500 filed on 05/22/2014 and because there is
36 no indication that the ratepayers of MdC received timely notice of the emergency interim PWAM
37 Hearing conducted in Phoenix on May 22, 2014 so they were denied due process. The certification of
38 the notice states that email notification was sent¹, but nowhere in that certification does it show the
39 email addresses that the email was sent to, in order to show that notice was properly given to all of the
40 approximately 364 ratepayers of MdC, who are directly and substantially impacted by Decision 74484.
41 There is no indication that Jason Williamson even has the email addresses for every one of the

¹ See Staff's Notice of Filing, Document #153503 filed on 05/22/2014.

1 approximately 364 households in MdC that PWC serves or that the notice was properly published or
2 mailed in a timely manner so that they could attend the Hearing and defend the deprivation of property
3 that results from that Decision. Therefore, the notice was defective. In fact, while KMR did receive
4 notice by email, she also received notice delivered by US Mail of that Hearing when she collected her
5 mail on Monday afternoon (Memorial Day), May 26, 2014, 4 days after the Hearing took place.
6 Therefore, it is likely that the ratepayers of MdC also received their US Mail notice similarly late.
7 Therefore, the ratepayers of MdC have had another Decision made that impacts them directly without
8 affording them due process of the law. The Company has failed to make their case that emergency
9 circumstances exist to warrant the issuance of this Interim PWAM Decision. In fact, there is no
10 substantiated evidence that a true emergency currently exists in MdC. This is another unfounded claim
11 of "emergency" used to rush through a Decision with little scrutiny. They have failed to document the
12 cause of the alleged water shortages or to mitigate damages to the ratepayers of MdC by improving the
13 performance of the existing wells. Therefore, the violation of any ratepayer's due process rights for that
14 Decision will not have to be held to the legal standard of "shocks the conscience", but may be argued as
15 "deliberate indifference".
16

17 Water produced from Company wells is substantially less expensive to the consumer than
18 anything the Company or the ACC have proposed or authorized via water augmentation or PWAM
19 tariffs. Yet nobody, to KMR's knowledge, has inspected the wells in MdC in the last 5 years to determine
20 if they are actually under-producing or not. If they are, what is the cause of the problem and can it be
21 rectified at a low cost? Within the context of the other details of the case, this lack of reasonable,
22 common sense action shows intent. The interim PWAM tariff was granted based upon an unproven
23 "emergency". No evidence was offered as proof, except an email written by the Company President.
24 Since the Company President has made other false and misleading claims², his claims should be viewed
25 with suspicion and require a higher level of scrutiny. A permanent PWAM tariff should not be
26 authorized until it can be shown that a true emergency currently exists as suggested in the "Exceptions
27 to Recommended Opinion and Order - Phase 2" document filed by KMR today.
28

29 The ACC must do proper due diligence by granting legal notice to the ratepayers of MdC prior to
30 the Hearing and in documenting any claims of "emergency". Therefore, a rehearing of this Decision
31 should be granted.
32

33 Respectfully submitted this 5th day of June, 2014.

34 By Kathleen M. Reidhead
35 Kathleen M. Reidhead, Intervener
36 14406 S. Cholla Canyon Dr.
37 Phoenix, AZ 85044
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² See Post-Hearing Brief by Kathleen M. Reidhead filed on 03/10/2014, Document #151657, page 10, lines 5-11 and Exhibit KMR-5, Document #15108 filed on 01/27/2014, attached Exhibit KMR-J.

1 ORIGINAL and thirteen (13) copies
2 of the foregoing were filed this 5th
3 day of June, 2014 with:

4
5 Docket Control
6 Arizona Corporation Commission
7 1200 W. Washington Street
8 Phoenix, AZ 85007

9
10 COPY of the foregoing was mailed
11 this 5th day of June, 2014 to:

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