

WS-01303A-14-0010



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ARIZONA CORPORATION COMM  
UTILITY COMPLAINT FORM

Investigator: Richard Martinez

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2014 - 116830

Date: 6/27/2014

Complaint Description: 08A Rate Case Items - Opposed  
N/A Not Applicable

ORIGINAL

First:

Last:

Complaint By: Donna M.

Grubb

Account Name: Donna M. Grubb

Home

Street:

Wor

City: Fort Mohave

CBR:

State: AZ Zip: 85426

is: E-Mail

2014 JUL 2 AM 8 18  
AZ CORP COM  
DOCKET COM  
REC

Utility Company: EPCOR Sewer \*AAWC

Division: sewer

Contact Name:

Contact Phone:

Nature of Complaint:

Docket No. WS-01303A-14-0010

TO: ARIZONA CORPORATION COMMISSIONERS

RE: EPCOR WATER ARIZONA INC'S RATE INCREASE REQUEST DOCKET WS-01303A-14-0010

Dear Commissioners, I respectfully request that you deny EPCOR's request for any rate increase, permanent or temporary and any other charges for utility service designed to produce a, so called, fair return thereon for its Mohave Wastewater District.

I am a retired widow and on a fixed income. Their rates are already too high and another increase is really going to strap me financially. When the economy fell people moved out and let their home go, Epcor expected to have more homes to service, but we all have suffered through this down turn. This is unjust for Epcor to bill US for their unmet expectations. I do not see any justification for this increase except for profits for the Investors.

I strongly oppose any rate increase. PLEASE REJECT EPCOR WATER ARIZONA INC RATE INCREASE REQUEST.

Arizona Corporation Commission  
DOCKETED

Sincerely

JUL 2 2014

DONNA GRUBB

DOCKETED BY

FORT MOHAVE, AZ 86426..

PS, YES I am MAD as hell. The bottom line is this increase is ridiculous and the request for any increase

# ARIZONA CORPORATION COMMISSION

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should be denied, as it should have been in 2009.

Here's some more numbers to look at closely:

Current monthly rates are \$56.67 per customer. EWAZ is asking for \$26.92 more per customer taking the rate to \$83.59 per month. That's a rate increase of 47.5%, while other utility companies providing similar services are paying less than \$30 per month.

Applied for Monthly Rate Increase	Proposed New Rate		New Net Profits Total Users Increase
	Monthly	Annually	
\$26.92	\$83.59	\$1,003.08	1,448 \$ 1,452,459.84
	\$55.83	\$ 669.96	\$ 970,102.08
	\$27.76	\$333.12	\$ 482,357.76
33.210%			

District	Adjusted Fair Value Rate Basis Per Application	2013 ROI Per App	Current Profits Per App	Requesting More Profits Per App	Percentage Profits Calculated	Increase over Current ROI Calc.	Per User Per App
Mohave Water	\$23,711,859	1.79%	\$424,442	\$1,983,872	467%	10.16%	
Paradise Valley Water	\$40,102,943	5.43%	\$2,177,590	\$950,774	44%	7.8%	4,904
Sun city Water	\$25,867,081	3.02%	\$781,186	\$1,646,454	211%	9.39%	27,849
Tubac Water	\$1,622,613	-8.36%	\$(135,650)	\$410,000	302%	16.91%	594
Mohave Wastewater	\$5,250,928	1.5%	\$78,764	\$467,806	594%	10.41%	1,448
	\$96,555,424	3.44%	\$3,326,331	\$5,458,906	164%	9.10%	

Here are some statistics for use in requesting no increases:

EWAZ is asking to increase their profits by 594% over their test period (12 months ended June 30, 2013)  
 EWAZ is asking to increase their Return on Investment (ROI) by 694% over their test period (12 months ended June 30, 2013)  
 EWAZ state in their application the adjusted ROI will be 6.87. That is incorrect, they will be at 10.41%, which is greater than the 10% limit they told us about. You just can't trust their numbers.

### CURRENT RATES and RETURNS

	Monthly	Months	Annually	
	\$ 56.67	12	\$680.04	Revenue
	\$ 55.83	12	\$669.99	Costs
	\$ 0.84		\$10.05	Profit
Revenue ROI			\$1,5000%	
Basis			\$5,250,928 per user	3626.331
Basis ROI			9.1861%	

Ewaz will argue that the rate of return (ROI) is based on the "fair value (FV) of tis plant and property" used for the wastewater utility service, which they present as being \$5,250,928. They also present that the new revenue given after this rate adjustment will be 6.87%.

**ARIZONA CORPORATION COMMISSION**  
**UTILITY COMPLAINT FORM**

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Nowhere do they provide information as to how the original purchase price was allocated to the various facilities. This is the only Wastewater component of their application and they fail to present that the rate increase on the 1,448 users is 33.21% above the current rate which is already 3xx% above the other wastewater providers in this area. And, they erred in stating that the ROI after the increase will bring them up to a 9.1861% of their questionable "Adjusted Fair Value Rate Basis". They ignore the profits on the current revenue of \$14,552 in their calculations. For some users who live right next to the facility, and some who live within a block or two of the facility, the company ignores their requests to fix the leaks causing the crappy odors. In some cases the small permeates the interiors of their homes.

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

6/27

Emailed to the Phoenix ACC office for docketing.

FILE CLOSED.

\*End of Comments\*

**Date Completed: 6/27/2014**

**Opinion No. 2014 - 116830**

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