



0000155607

1 Thomas Bremer
2 6717 E Turquoise Ave.
3 Scottsdale, AZ 85253
4

RECEIVED

2014 AUG 27 P 4: 43

5 **BEFORE THE ARIZONA CORPORATION COMMISSION**

DOCKET CONTROL

7 IN THE MATTER OF THE APPLICATION
8 OF PAYSON WATER CO., INC., AN ARIZONA
9 CORPORATION, FOR A DETERMINATION OF
10 THE FAIR VALUE OF ITS UTILITY PLANTS
11 AND PROPERTY AND FOR INCREASES IN
12 ITS WATER RATES AND CHARGES FOR
13 UTILITY SERVICE BASED THEREON.
14

DOCKET NO. W-03514A-13-0111

Arizona Corporation Commission

DOCKETED

AUG 27 2014

DOCKETED BY 

15 IN THE MATTER OF THE APPLICATION
16 OF PAYSON WATER CO., INC., AN ARIZONA
17 CORPORATION, FOR AUTHORITY TO (1) ISSUE
18 EVIDENCE OF INDEBTEDNESS IN AN AMOUNT
19 NOT TO EXCEED \$1,238,000 IN CONNECTION
20 WITH INFRASTRUCTURE IMPROVEMENTS TO
21 THE UTILITY SYSTEM; AND (2) ENCUMBER
22 REAL PROPERTY AND PLANT AS SECURITY
23 FOR SUCH INDEBTEDNESS.
24

DOCKET NO. W-03514A-13-0142

ORIGINAL

25 **Complaint and Request for Investigation of Payson Water Company (PWC) Overcharging**
26 **Customers Due to Error in Pro-rated Fee Calculations During Implementation of New Water Rates**
27 **Per Decision No. 74567**
28

29 **References:**

- 30 1. Decision No. 74567 Opinion and Order, Phase 2
31

32 I, Thomas Bremer, participated as one of the interveners in the above-docketed PWC rate case on behalf
33 of the East Verde Park (EVP) service community. The rate case concluded in fee and rate increases per
34 the Reference 1 decision. The increases went into effect on July 1, 2014.
35
36

1 Upon receipt of my billing statement from PWC (Exhibit A), with Billing Date of 07/25/2014, for service
2 from 6/18/2014 to 7/15/2014, I noticed that the rate schedule in the lower left corner of the statement did
3 not match the rates established in the Reference 1 decision.

4
5 Therefore I did some calculations in an Excel spreadsheet, using as inputs:

- 6 • The pre- and post-Decision 74567 rates
- 7 • The July 1, 2014 date for beginning with the new rates,
- 8 • The amount of water usage as stated on my bill,
- 9 • A pro-rated split between the old and new rates for the service period as stated on my bill.

10
11 I concluded that:

- 12 1. I was over-charged by 9.47%.
- 13 2. Depending on water usage, ratepayers were overcharged by 9.03% to over 15%, for water usage
14 in the range of 0 to 15,000 gallons, for the 6/18/2014 to 7/15/2014 service period, for a pro-rated
15 split between the old rates (prior to July 1) and new rates (on and after July 1).
- 16 3. The pro-rated method for applying the old and new rates is not appropriate, because it assumes
17 that ratepayers used the same amount of water each day, when in reality water use varies daily.
 - 18 a) For example, a part-time EVP resident and PWC ratepayer whose entire water consumption
19 during the 6/18/2014 to 7/15/2014 service period was in June would pay a portion of his
20 water use fee at the higher new rates, even though his water use was entirely prior to the
21 new rates going into effect.
 - 22 b) The only accurate way to calculate fees for the 6/18/2014 to 7/15/2014 service period would
23 have been to take a meter reading on July 1, and then separately calculate the fees with the
24 old rates (prior to July 1) and new rates (on and after July 1), and the add the two results to
25 calculate the total charges. However, PWC did not read meters on July 1.

26 I communicated my calculations, conclusions, and concerns to Jason Williamson of PWC in the Exhibit B
27 e-mail, prior to July 30, 2014.*

28
29 PWC's Jason Williamson responded by e-mail on July 30 (Exhibit C), that the disconnect between my
30 calculations and the PWC water bill was that the service period was actually 6/24/14 to 7/23/14, instead
31 of 6/18/14 to 7/15/14 as stated on my water bill. This is a shift in the service period of 6 days. He also
32 acknowledged that PWC used the daily pro-rate approach, and did not read meters on July 1, 2014. He
33 offered to provide a corrected water bill with the 6/24/14 to 7/23/14 service period.

34
35 **Note: The Exhibit B e-mail is dated 7/31/14. This is incorrect, due to the time & date settings on my computer not being correct at*
36 *the time that the Exhibit B e-mail was sent. The Exhibit B e-mail pre-dates the 7/30/14 date of the response e-mail from PWC,*
Exhibit C.

1 I again responded to Mr. Williamson by e-mail on August 3 (Exhibit D). I noted that upon repeating my
2 calculations for the shifted service period of 6/24/14 to 7/23/14 as described in his Exhibit C message, my
3 results match the water bill, thus validating the mathematics that I used. Basically, the 6-day shift puts
4 more of the service period after July 1, when the higher rates were in effect, thereby producing a higher
5 water bill than I had calculated previously based on a service period of 6/18/14 to 7/15/14. However, I
6 questioned the 6-day shift of the service period, as the 6/24/14 to 7/23/14 service period claimed by Mr.
7 Williamson is inconsistent with all my water bills from PWC going back more than 2 years, which have the
8 end-date of each service period matching the starting date of the subsequent service period. I
9 commented: "It seems odd that concurrent with the implementation of higher rates, the billing cycle is
10 shifted by about a week, resulting in a beneficial revenue windfall for PWC, ranging from about 9% to
11 about 15%". I also requested that I am sent a corrected billing statement as Mr. Williamson offered to
12 provide in his e-mail of Exhibit C. To date, I have not received such corrected billing statement.

13
14 Mr. Williamson responded by e-mail on August 8 (Exhibit E), essentially saying that the matter is under
15 investigation.

16
17 I acknowledge that there may be confusion due to definitions of "service period" and "billing cycle".
18 However, there no question that per Decision 74567 water use in June, 2014 cannot be charged to
19 ratepayers at the higher rates that went into effect on July1, 2014. Only the base fee can be pro-rated
20 based on number of days at the old and new rates. The facts established in Reference B continue to
21 support the conclusion that I, and very likely other PWC ratepayers at EVP and perhaps other service
22 areas, were overcharged for the service period that began in June, 2014 prior to the implementation of
23 new rates per the Reference 1 decision, and ended in July, 2014 when the new rates were in effect.

24
25 I request that the Arizona Corporation Commission investigates this matter, as it appears that customers
26 have been overcharged. I contend that, absent of PWC reading water meters on July 1 as I recommend
27 in Item 3b above, the only fair means to resolve this matter without risk of over-charges is to re-calculate
28 water bills for the June-July, 2014 service period at the old rates, and apply the new rates per the
29 Reference 1 decision only to service periods falling entirely after July 1, 2014. Revised billing statements
30 should be provided by PWC, that truthfully reflect the service period as defined by meter reading dates,
31 and refunds should be made promptly to affected ratepayers.

32
33 Respectfully,
34 Tom Bremer
35
36

1
2
3 

4 Submitted this 26th day of August, 2014.

5
6 **Attached:**

7 Exhibit A: PWC Billing Statement for T. Bremer EVP Property, for Service Period 6/18/14 to 7/15/14,
8 1 page

9 Exhibit B: T. Bremer e-mail, "Errors in Water Bills from PWC, after ACC Decision No. 74567",
10 3 pages

11 Exhibit C: J. Williamson e-mail, "FW: Errors in Water Bills from PWC, after ACC Decision No. 74567"
12 (Response to Exhibit B), 1 page

13 Exhibit D: T. Bremer e-mail: "RE: Errors in Water Bills from PWC, after ACC Decision No. 74567",
14 (Response to Exhibit C), 1 pages

15 Exhibit E: J. Williamson e-mail, "RE: Errors in Water Bills from PWC, after ACC Decision No. 74567"
16 (Response to Exhibit D), 1 page

17
18 **Copies to:**

19 ACC Docket Control (13 copies)

20
21 Jason Williamson, President of Payson Water Company
22 7581 E. Academy Boulevard, Suite 229
23 Denver, CO 80230

24
25 Thomas J. Bourassa, Consultant for Payson Water Company
26 139 W. Wood Drive
27 Phoenix, Arizona 85029

28
29 Jay Shapiro, Attorney for Payson Water Company
30 Fennemore Craig P.C.
31 2394 E. Camelback Road, Suite 600
32 Phoenix, AZ 85016

33
34 Kathleen M. Reidhead, Intervenor
35 14406 S. Cholla Canyon Dr.
36 Phoenix, AZ 85044

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William Sheppard, Intervenor
6250 North Central Avenue
Phoenix, AZ 85012

J. Stephen Gehring & Richard M. Burt, Intervenor
8157 W. Deadeye Rd.
Payson, AZ 85541

Suzanne Nee, Intervenor
2051 E. Aspen Dr.
Tempe, AZ 85282

Glynn Ross, Intervenor
405 S. Ponderosa
Payson, AZ 85541

Exhibit A (1 page)

Service	From	To	Number Days	Meter Readings	Usage in Gallon	CHARGES
				Previous	Current	
WATER BASE WATER USAGE	06/18/2014	07/15/2014	28	185440	185970	22.21 1.87 → \$24.08
<p><i>Bremner Water Bill for Property #1</i></p> <p>HAULED H2O SCHR</p> <p>TAXES</p>						
<p>Due by 08/09/2014</p> <p>On/After 08/10/2014</p>						
<p>28.54</p> <p>28.94</p>						

Amount before Taxes and hauling Surcharge

22.21
1.87
→ \$24.08

2.87

1.59

28.54

28.94

Due by 08/09/2014

On/After 08/10/2014

BREMER, TOM

Please detach & return with your payment payable to PAYSON WATER COMPANY

ACCOUNT NUMBER **DUE DATE** **AMOUNT DUE**

	08/09/2014	28.54
Billing Date	Rate Code	AMOUNT PAID
07/25/2014	1	

Office Hours:
OFFICE HOURS 9 AM TO 3 PM
MONDAY - FRIDAY
Remit to Payson Water Company
PO Box 2389, Prescott, AZ 86302

WATER RATES

RATE SCHEDULE: Payson 3/4 x 5/8
BASE RATE (Minimum): \$ 22.21
FIRST 3000 Gallons @ 0.00352 per Gallon
OVER 3000 Gallons @ 0.00654 per Gallon

tcbremer

Exhibit B (4 pages)

From: tcbremer <tcbremer@netzero.net>
Sent: Thursday, July 31, 2014 4:50 AM
To: 'JW Water'
Cc: 'SHAPIRO, JAY'
Subject: Errors in Water Bills from Payson Water Co, after ACC Decision No. 74567
Attachments: Bremer PWC Water Bill, Dated 7-25-2014.pdf
Importance: High

Mr. Williamson—

A lot of Payson Water Company customers are confused, including me! Inconsistent with your message below, the one and only water bill that I have received from Payson Water Company for the billing period 6/18/14 to 7/15/14 is dated 7/25/14 (copy attached). I have received no water bills dated either 7/23/14 nor 7/24/14, as suggested by your message below.

Furthermore, the bill that I received is incorrect. The base fee and commodity rates are not consistent with the new rates that were approved by the Arizona Corporation Commission in Decision No. 74567, Docket No. W-03514A-13-0111:

Parameter (5/8-inch meter)	Rates Shown on T. Bremer Water Bill Dated 7/25/14	Rates per ACC Decision No. 74567
Base Fee	\$22.21	\$24.10
Rate: 0-3000 gal	\$3.52	\$4.00
Rate: 3001-10,000 gal	\$6.54	\$7.66
Rate: over 10,000 gal		\$9.62

Calculating the total bill (not including taxes and EVP hauling surcharge) using both the correct rates per ACC Decision No. 74567 and the incorrect rates reflected on my 7/25/14 water bill from PWC, the initial conclusion is that the incorrect rates as shown on the water bill dated 7/25/14 result in the customer under-paying by 7.8% to over 19%:

Gallons	New Rates per ACC Decision 74567					Rates per First Water Bill after Decision 74567					Difference	
	Base Rate	Up to 3k	3k to 10k	Over 10k	Total Bill	Base Rate	Up to 3k	3k to 10k	Over 10k	Total Bill	Amount	Percent
0	\$ 24.10	\$ 4.00			\$ 24.10	\$ 22.21	\$ 3.52			\$ 22.21	\$ (1.89)	-7.84%
500	\$ 24.10	\$ 4.00			\$ 26.10	\$ 22.21	\$ 3.52			\$ 23.97	\$ (2.13)	-8.16%
530	\$ 24.10	\$ 4.00			\$ 26.22	\$ 22.21	\$ 3.52			\$ 24.08	\$ (2.14)	-8.18%
1000	\$ 24.10	\$ 4.00			\$ 28.10	\$ 22.21	\$ 3.52			\$ 25.73	\$ (2.37)	-8.43%
2000	\$ 24.10	\$ 4.00			\$ 32.10	\$ 22.21	\$ 3.52			\$ 29.25	\$ (2.85)	-8.88%
2896	\$ 24.10	\$ 4.00			\$ 35.52	\$ 22.21	\$ 3.52			\$ 32.25	\$ (3.27)	-9.21%
3000	\$ 24.10	\$ 4.00			\$ 36.10	\$ 22.21	\$ 3.52			\$ 32.77	\$ (3.33)	-9.22%
4000	\$ 24.10	\$ 4.00	\$ 7.66		\$ 43.76	\$ 22.21	\$ 3.52	\$ 6.54		\$ 39.31	\$ (4.45)	-10.18%
6000	\$ 24.10	\$ 4.00	\$ 7.66		\$ 59.09	\$ 22.21	\$ 3.52	\$ 6.54		\$ 52.39	\$ (6.70)	-11.34%
8000	\$ 24.10	\$ 4.00	\$ 7.66		\$ 74.42	\$ 22.21	\$ 3.52	\$ 6.54		\$ 65.47	\$ (8.95)	-12.03%
10000	\$ 24.10	\$ 4.00	\$ 7.66		\$ 89.75	\$ 22.21	\$ 3.52	\$ 6.54		\$ 78.55	\$ (11.20)	-12.48%
12500	\$ 24.10	\$ 4.00	\$ 7.66	\$ 9.62	\$ 113.79	\$ 22.21	\$ 3.52	\$ 6.54	\$ 6.54	\$ 94.90	\$ (18.89)	-16.60%
15000	\$ 24.10	\$ 4.00	\$ 7.66	\$ 9.62	\$ 137.83	\$ 22.21	\$ 3.52	\$ 6.54	\$ 6.54	\$ 111.25	\$ (26.58)	-19.29%

Red text corresponds to Bremer water bill, dated 7/25/14.

However, this conclusion not correct. The billing cycle spans the dates 6/18/14 to 7/15/14. Per ACC Decision 74567, the new rates went into effect starting on 7/1/14. Refer to page 71 of Decision 74567:

Exhibit B,
Pg 2

10 IT IS THEREFORE ORDERED that Payson Water Company, Inc., is hereby authorized and
 11 directed to file with the Commission, on or before June 30, 2014, the schedules of rates and charges
 12 attached hereto and incorporated herein as Attachment A, which rates and charges shall become
 13 effective for all service rendered on or after July 1, 2014.

Therefore, water usage prior to 7/1/14 should be billed at the old rates, and water usage after and including 7/1/14 should be billed at the new rates. This required PWC to read water meters on July 1, and calculate each customer's water bill in two portions, and then adding the two portions. The first portion should be at the old rates for water usage during the period from 6/18/14 to 7/1/14, and the second portion at the new rates for water usage during the period from 7/1/14 to 7/15/14.

Without a water meter reading on 7/1/14, it is not possible to accurately calculate the two portions of customers' water bills for the 6/18/14 to 7/15/14 billing cycle, before and after the new rates went into effect. However, the correct water billing for the period from 6/18/14 to 7/15/14 can be approximated by making the assumption that customers used the same amount of water each day, and calculating a monthly billing for both the old and new rates, and then prorating each portion in proportion to the number of days in the billing cycle that the old and new rates were in effect. Then, adding the two portions yields an approximation of the correct total bill. Doing this calculation yields the following:

Gallons	Old Rates Prior to Decision 74567				New Rates per ACC Decision 74567				
	Base Rate	Up to 4k	Over 4k	Total Bill	Base Rate	Up to 3k	3k to 10k	Over 10k	Total Bill
0	\$ 16.00	\$ 1.93		\$ 16.00	\$ 24.10	\$ 4.00			\$ 24.10
500	\$ 16.00	\$ 1.93		\$ 16.97	\$ 24.10	\$ 4.00			\$ 26.10
530	\$ 16.00	\$ 1.93		\$ 17.02	\$ 24.10	\$ 4.00			\$ 26.22
1000	\$ 16.00	\$ 1.93		\$ 17.93	\$ 24.10	\$ 4.00			\$ 28.10
2000	\$ 16.00	\$ 1.93		\$ 19.86	\$ 24.10	\$ 4.00			\$ 32.10
2856	\$ 16.00	\$ 1.93		\$ 21.51	\$ 24.10	\$ 4.00			\$ 35.52
3000	\$ 16.00	\$ 1.93		\$ 21.79	\$ 24.10	\$ 4.00			\$ 36.10
4000	\$ 16.00	\$ 1.93		\$ 23.72	\$ 24.10	\$ 4.00	\$ 7.66		\$ 43.76
6000	\$ 16.00	\$ 1.93	\$ 2.99	\$ 29.70	\$ 24.10	\$ 4.00	\$ 7.66		\$ 59.09
8000	\$ 16.00	\$ 1.93	\$ 2.99	\$ 35.68	\$ 24.10	\$ 4.00	\$ 7.66		\$ 74.42
10000	\$ 16.00	\$ 1.93	\$ 2.99	\$ 41.66	\$ 24.10	\$ 4.00	\$ 7.66		\$ 89.75
12500	\$ 16.00	\$ 1.93	\$ 2.99	\$ 49.14	\$ 24.10	\$ 4.00	\$ 7.66	\$ 9.62	\$ 113.79
15000	\$ 16.00	\$ 1.93	\$ 2.99	\$ 56.61	\$ 24.10	\$ 4.00	\$ 7.66	\$ 9.62	\$ 137.83

Corrected Water Bill Calculations for 6/18/14 to 7/15/14 (assuming same consumption per day)

Bill for 6/18/14 to 7/1/14 Prorate: 13 of 27 days = .481	Bill for 7/1/14 to 7/15/14 Prorate: 14 of 27 days = .519	Corrected Bill for 6/18/14 to 7/15/14 (excluding taxes and hauling surcharge)	Over-charge in PWC Billing Dated 7/25/14	
Portion at Old Rates	Portion at New Rates		Amount	Percent
\$7.70	\$12.51	\$20.20	\$2.01	9.03%
\$8.16	\$13.55	\$21.71	\$2.26	9.44%
\$8.19	\$13.61	\$21.80	\$2.28	9.47%
\$8.62	\$14.58	\$23.21	\$2.52	9.80%
\$9.55	\$16.66	\$26.21	\$3.04	10.38%
\$10.35	\$18.44	\$28.78	\$3.48	10.78%
\$10.48	\$18.74	\$29.22	\$3.55	10.84%
\$11.41	\$22.71	\$34.12	\$5.19	13.20%
\$14.29	\$30.67	\$44.95	\$7.44	14.19%
\$17.16	\$38.62	\$55.79	\$9.68	14.79%
\$20.04	\$46.58	\$66.62	\$11.93	15.19%
\$23.63	\$59.06	\$82.69	\$12.21	12.86%
\$27.23	\$71.54	\$98.76	\$12.49	11.22%

Red text corresponds to Bremer water bill, dated 7/25/14.

Based on this calculation, PWC customers are being over-charged in the billing statements from PWC for the period from 6/18/14 to 7/15/14, by approximately 9 to 15%. For my usage of 530 gallons, the billing dated 7/25/14 reflects an over-charge of 9.47%. The actual overcharge for each customer will depend on their actual split of water use before and after July 1, when the new rates went into effect.

Before taking this matter to the ACC, or the other interveners in the recent rate case, or to the EVP ratepayers that I represent, I invite you to check my facts, rationale, and math. Note that my spreadsheet for the incorrect rates matches the PWC water bill (\$24.08).

I request that:

1. PWC customers are provided revised billing statements for the late June/early July billing cycle, that accurately embody and comply with the requirements of ACC Decision No. 74567, including the new rate structure and date of effectivity for the new rates.
 - The new revised billing should include the water meter readings on July 1, the date that the new rates went into effect.
 - If water meters were not read on July 1, then the only method to unequivocally calculate revised billings without risk of overcharge would be to use the old rates for the entire 6/18/14 to 7/15/14 billing cycle, and the new rates beginning with the next billing cycle (from 7/15/14 forward).
2. PWC customers are given relief in the due dates for payment, based on the delay incurred in PWC providing corrected billing statements.
3. PWC customers who have already paid amounts due per the incorrect billing are provided prompt refunds for any overpayment.

Absent of a prompt correction, customers will be forced to pay the incorrect amounts (which as explained above are in general over-charged) in order to avoid late fees, possible disconnection, and high reconnection fees. This is patently unfair.

Please advise what to do with the erroneous bill.

Thank you,

Tom Bremer

East Verde Park Water Chairman

From: JW Water [mailto:info@jwwater.net]

Sent: Wednesday, July 23, 2014 7:09 PM

To: akleinman1@aol.com; annie92561@msn.com; artkelley6@gmail.com; asapmobile@qwestoffice.net; billhuddleston@me.com; bloom_jamie@yahoo.com; bloom_jamie@yahoo.com; bobdamico1@hotmail.com; bryancallaghan@gmail.com; bzumach@me.com; calebwood19@yahoo.com; cookieesponosa@yahoo.com; csuanimaldoc@yahoo.com; darkwaterknives@yahoo.com; dawn.burns@resourceaz.com; DAWNCOLADA@YAHOO.COM; difjoaz@gmail.com; dwebberaz@msn.com; elcaballoclub@gmail.com; faye.hoppenrath@gmail.com; fishnskiaz@hotmail.com; foresthillscondos@yahoo.com; gbinder3500@aol.com; hwakerms@gmail.com; j.keyworth@q.com; jc33377@q.com; joyjoys2000@yahoo.com; k.leighty@live.com; kambervic@gmail.com; lawrencenemeth071@gmail.com; marywick130@msn.com; mdwinchell@outlook.com; mewsical456@gmail.com; minnie955@gmail.com; mkirch700@gmail.com; MLEGATT@COX.NET; nancyneilson@hotmail.com; overtoken@yahoo.com; PAYGEF5@GMAIL.COM; penpanda@hotmail.com; pknail47@gmail.com; rbaxter@sprint.blackberry.net; rjb747@aol.com; rmwilliams3@gmail.com; roca@design.com; roseg222@gmail.com; shermans393@gmail.com; southard_properties@hotmail.com; sternerrw@att.net; stevedorland@ymail.com; tcbremer@netzero.net; thors_hammer04@yahoo.com; timothy.haffey@asu.edu; tlkinman@gmail.com

Subject: DISREGARD BILL OF 7/23/14

TO WHOM IT MAY CONCERN:

Exhibit B, pg 4

Please disregard the e-bill that was sent on 7/23/14 as we experience a computer malfunction. The correct bill will be sent on 7/24/14.

Regards

Payson Water Company
Team

Exhibit C (1 page)

From: Jason Williamson <jw@jwwater.net>
Sent: Wednesday, July 30, 2014 9:03 AM
To: tcbremer@netzero.net
Cc: info@jwwater.net
Subject: FW: Errors in Water Bills from Payson Water Co, after ACC Decision No. 74567
Attachments: Bremer PWC Water Bill, Dated 7-25-2014.pdf; Copy of PWC - July 2014 Prorated Billing Calculations.xlsx

Importance: High

Hi Tom,

I received your email from our customer service center and thought I would attempt to contact you directly.

The base fee and commodity rates were prorated using a billing cycle of June 24-July 23. I see that it is confusing that the service date on your bill does not match the actual billing cycle date. This was an error and if you would like, I can have the CSC send out a bill with the correct billing cycle dates. Actual bill dates (the dates the bills were put in the mail) for Payson Water customers may have ranged up to July 25 (like yours) because the customer service center held EVP bills an extra day or so to properly calculate the hauling surcharge.

You are correct that it was impossible to read every PWC meter on July 1. As such, we prorated each customer bill (both base fee and commodity rates) using 7 days from the old tariff (June 24-30) and 23 days on the new one.

I've attached the calculation in the form of an excel spreadsheet so you can see the math we used. If you have found an error in the commodity charges or base fee on your bill that deviates from the calculations provided in the spreadsheet, please let me know and we will be happy to correct your bill.

You're welcome to contact me by phone if you want to discuss this further.

Regards,

Jason Williamson, Managing Partner
JW Water Holdings, LLC
P.O. Box 200595
Denver, CO 80220
P (720)949-1384 x301

tcbremer

Exhibit D (1 page)

From: tcbremer <tcbremer@netzero.net>
Sent: Sunday, August 03, 2014 9:55 AM
To: 'Jason Williamson'
Cc: 'info@jwwater.net'
Subject: RE: Errors in Water Bills from Payson Water Co, after ACC Decision No. 74567

Hello, Mr. Williamson—

OK, I now understand the discrepancy between my calculation of my recent water bill and the amount shown on the water bill from PWC. The 6/18/14 to 7/15/14 billing cycle shown on my water bill is earlier than the 6/24/13-7/23/13 billing cycle stated in your message below to be the correct billing cycle. With more days prior to July 1, at the less expensive old rates, my analysis produced a lower total bill than reflected in my most recent water bill from PWC.

But are you sure that the 6/18/14-7/15/14 billing cycle printed by PWC on my recent water bill is in error? I have gone back through my previous water bills for more than 2 years, and the start dates of the billing cycle have always corresponded to the finish dates of the previous billing cycle. The 6/18/14 billing cycle for my most recent statement is consistent with the billing cycles going back for several years. So are you basically saying that all these years the actual date of the monthly water meter reading has been about a week later than shown on customers' monthly water bill? What was the actual date in June that my water meter was read?

It seems odd that concurrent with the implementation of higher rates, the billing cycle is shifted by about a week, resulting in a beneficial revenue windfall for PWC, ranging from about 9% to about 15%.

Furthermore, it was my assumption, apparently incorrect, that PWC would implement the new rates for the first billing cycle that falls entirely after the July1 start of the new rates, and not in the middle of the June-July billing cycle. However, since PWC did implement the higher rates during of the June-July billing cycle, it isn't clear to me that the pro-rated approach to apportion the water bill for this transition between the old and new rates is appropriate. A part-time resident at East Verde Park and PWC ratepayer whose entire water consumption during the recent billing cycle was in June is paying about for about 76% of his June water consumption at the higher post-July1 rates. Likewise, a part-time resident whose entire water consumption during the recent billing cycle was in July gets a beneficial discount by paying for about 24% of his July water consumption at the lower pre-July1 rates. The only way to accurately assess the charges for water consumption would have been to take meter readings on July1, and calculate customers' water bills based on their actual water usage at both the lower pre-July1 and higher post-July1 rates. But as you note, this was not done.

Yes, please send me a corrected copy of my water bill for the June-July billing cycle, reflecting the actual start and finish dates of the June-July,2014 service period.

Tom Bremer
East Verde Park Water Chairman

Exhibit E (1 page)

From: Jason Williamson <jw@jwwater.net>
Sent: Friday, August 08, 2014 8:09 AM
To: 'tcbremer'
Cc: info@jwwater.net
Subject: RE: Errors in Water Bills from Payson Water Co, after ACC Decision No. 74567

Hi Tom,

I'm working with CSC to see if we can better clarify the differences between the reading cycle and the bill cycles on the monthly billing statements. This scenario has brought that discrepancy to our attention and I agree with your assessment that it causes confusion. The "service dates" on the bill indicate meter read dates, which differ every month, and differ depending on the system, so that date range is not consistent enough to be applied to all of the bills. This is why the bill cycle date needs to be highlighted. We'll keep you updated as we work to improve this and appreciate your input.

Thank you,

Jason Williamson, Managing Partner
JW Water Holdings, LLC
P.O. Box 200595
Denver, CO 80220
P (720)949-1384 x301