

OPEN MEETING AGENDA ITEM



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My name is Duane and I have had a financial interest in Sun City property since 1976. I am a current resident.

Prior rate cases have defined six factors that should be considered in evaluating any consolidation rate design. These factors have been avoided/ ignored by the Rate Commission. The ratepayers at the Sun City town hall meeting have clearly expressed their concerns. They clearly deal with the factors which are required to be considered in any consolidated rate design. They are:

1. Public health and safety
2. Proximity and location
3. Economies of scale/ rate case expense
4. Price shock/ mitigation
5. Public Policy and
6. How other jurisdictions/municipalities are addressing this issue.

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The rate makers have developed a policy that can only described as confrontational, refusing to address the possibility that a close review of the input of of the ratepayers has time and again rejected the predisposition of their proposals.

How have these six factors been avoided? Let me explain!

Public Health- Sun City has provided affordable housing for the elderly and the poor in a unique way which benefits the entire Phoenix Area. Reasonable water rates are an important part of this community.

The historical relationship with the processing of the waste water through the Tolleson facility and the benefits to the entire Phoenix Community through its contractual relationship with the Electric Power Company is a unique relationship. This relationship has not been objectively considered by the rate makers when compared to a new Waste Water Plant and the disposition of said waste water.

The water district of Sun City has demonstrated unique economics over 50+ years, allowing the ratepayers to closely evaluate the action of the company provider. The size and the historical relationship of the stakeholders allows a check and balance which will be lost in the proposed consolidation.

The price shock for the Sun City Water District can only be considered overwhelming to the Community. The Company/rate makers have failed miserably to provide/communicate a comprehensive plan, specifically detailing the defective infrastructure. Yet, this factor is the center of their proposal for consolation. This is not fair to Sun City or to any of the Water Districts.

The implications to Public Policy are extremely significant. The rate maker's proposal has managed to cause substantial friction between low income elderly communities and high income family oriented

Communities. The proposal has created excessive tension between the ratepayers and Company's Canadian stockholders and in turn, between our great neighbors from Canada living in Sun City and the U S residents.

Finally, the proposal has destroyed the trust factor necessary to obtain a reasonable resolution of this rate case. The community of Sun City does not believe that the rate makers listen. A former rate case involving one of the Water Districts, Anthem resulted in a deconsolidation which in turn created a substantial windfall to that Water district. Now, with the blessing of the rate makers, the proposal creates an additional windfall because of consolidation. How can the rate makers have it both ways? All credibility which involves this government agency is lost. How can the rate makers require consolation which requires the taking of money from a lower income district comprised of a distinctive and limited age group in order to reward another district with a completely different family /economic environment?

The behavior by the rate makers which completely ignores the wishes of the majority of this water district can only lead to a complete distrust of government. Such mistrust is not supportive of Public Policy which can only lead to a hostile environment.

Respectfully Submitted,

Duane Bojack