

ORIGINAL

**Tonto Basin Water Company Rate I
Docket Number W-03515A-14-0310
6/23/2015**



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Attached are additional petition signatures regarding the rate increase proposed by Tonto Basin Water Company, which would nearly double our monthly water bills.

The Recommended Opinion of Order has still not yet been filed or posted.

Correction: We did attend the April 20, 2015 Hearing, not April 30th as noted on our 6/11/2015 cover sheet. (The April 30th date is the filing date for Docket documents relative to the April 20th Hearing.)

Having recently spoken to an AZ Corporation Commission Utilities representative, it is our understanding that the July 7, 2015 Decision deadline is for the Hearing Officer's findings and recommendations; and that a date for the Corporation Commissioners' Public Hearing would then be scheduled.

We and other Tonto Basin representatives are planning to attend the Corporation Commissioner's Public Hearing for this rate increase, date TBD.

Sincerely

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Arizona Corporation Commission
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Tonto Basin Water Company Rate Increase Docket Number W-03515A-14-0310

On or before July 7, 2015 The AZ Corporation Commission will decide whether to approve a rate increase proposed by Tonto Basin Water Company. Tonto Basin Water Company has asked for a rate increase that would nearly double our monthly water bills.

AZ Corporation Commission Staff are recommending an annual rate increase of 65.05 percent. Staff's proposed rate design would result in a 61.56 percent rate increase for a 5/8" x 3/4" meter residential customer with average water usage of 5,598 gallons of \$15.95, from \$25.92 to \$41.88, and a 59.15 percent rate increase for a 5/8" x 3/4" meter residential customer with median usage of 3,205 gallons of \$12.40, from \$20.97 to \$33.37. Additionally, the monthly Service Charge is proposed to increase by \$9.99.

AZ Corporation Commission Staff further recommends that Tonto Basin Water Company complete painting its storage tanks and pressure tanks within 12 months when new rates go into effect. Tonto Basin agrees to seek an ADEQ inspection of North Bay Estates water system and the adequacy of Tonto Basin's storage capacity and implement recommendations made by the ADEQ.

Some Questions:

- 1) Are Tonto Basin North Bay Estates users being imposed costs associated with the Cactus Forest System?
- 2) Does the proposed transfer of the Certificate of Convenience and Necessity associated with the Cactus Forest System to Tonto Basin affect the proposed rates levied on Tonto Basin North Bay Estates users?
- 3) Will any possible water hauling expenses for Tonto Basin's Roosevelt Lakes Estates impact the rates of Tonto Basin North Bay Estates Users?
- 4) Will any possible new well digging for Tonto Basin's Roosevelt Lakes Estates impact the rates on Tonto Basin North Bay Estates Users?

The Tonto Basin Water Company has provided incomplete records to the Commission, noting that they are unavailable from Brooke Utilities. Why would Tonto Basin Water Company purchase a business with inadequate records? It must be remembered that Brooke Utilities served our community for many years at a substantially lower rate than is sought by Tonto Basin Water Company.

A 65.05 percent increase in water rates is an unprecedented rate increase, which will impose great hardship on many low-income users and retired users depending only on their Social Security. The proposed rate increase is not a trivial thing and will impact the lives of many. We do understand that the Tonto Basin Water Company expects a fair profit. As users we expect clean and available water at a reasonable cost.

We the undersigned Tonto Basin North Bay Estates Users respectfully ask that the Commissioners of the AZ Corporation Commission scrutinize associated expenses from the Tonto Basin Water Company and those unsubstantiated by receipts. This new owner

has only operated the business for a relatively short while. No substantial improvements to the system are evident.

We the undersigned Tonto Basin North Bay Estates Users also respectfully ask that if you approve a rate increase over 25 percent of the current rate that you also incorporate a Tiered Rate Increase for the Tonto Basin Water Company. Once the final rate increase has been established, we recommend a tiered two-year rate increase implementation. Thereby increasing the current rate by 50 percent of newly approved rate increase for the first year. At that time the Commission Staff can review the most recent expense receipts and the progress on the additional agreed items before instituting the second half of the rate increase.

We look to the AZ Corporation Commission and Staff to make sure that the interests of all are equally weighed, the history studied and all exhibits scrutinized.
Thank You,

Please Note: The "Recommended Opinion of Order" from Staff has not yet been filed or issued. Therefore the proposed rate increase information in this document has been taken from previous Staff testimony and documentation.