

W-02514A-14-0343

ORIGINAL



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ARIZONA CORPORATION COMMIS

UTILITY COMPLAINT FORM

RECEIVED

Investigator: Carmen Madrid

Phone:

2015 JUN 30 A 9:13

Priority: Respond Within Five Days

AZ CORP COMMISSION  
DOCKET CONTROL

Opinion No. 2015 - 122995

Date: 6/29/2015

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

First:

Last:

Complaint By: John

Kozma

Account Name: John Kozma

Home:

Street:

Work: (000) 000-0000

City: Green Valley

CBR:

State: AZ Zip: 85614

is:

Utility Company: Quail Creek Water Co., Inc.

Division: Water

Contact Name:

Contact Phone:

Nature of Complaint:

\*\*\*\*\*OPPOSED TO RATE INCREASE\*\*\*\*\*

John Kozma

From it's application, one would infer QCW ranks low in comparison costs to the other 5 Green Valley/Sahuarita water providers. Quite the contrary. Even now QCW ranks higher then 2, each of which have had recent rate increases, and is within 10% of the other 3.

Using QCW's average of a 5/8x3/4 meter with 5,725 gallons monthly usage, the rankings are:

- Farmer's Water @ \$17.73 (2014 rates)
- Community Water @ \$23.72 (2010 rates)
- QCW [Current] @ \$31.03
- Las Quintas Serenas Water @ \$32.31
- GVDWID @ \$34.86
- Sahuarita Water @ \$34.86
- QCW [Proposed] @ \$43.62

Each company is different, but a 40% increase to QCW, ranking it higher than any other local provider by 25%, is not equitable to QCW's customers in relative value and costs. Please re-evaluate and adjust their rates to no more 5% above the highest current provider.

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John Kozma

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QCW's justification in part for its rate increase is to (1) service debt, (2) pay a reasonable dividend, and (3) attract capital.

With all due respect to the Robson family, per PDF page 66, line 6, of its 267 page filing, there is no debt. Per PDF page 65, line 20, no dividends were paid during the test year or in its past history. And in the argument to attract capital, its comparison to American Water is totally beyond reason. Should the need arise for significant capital above its immediate cash and notes receivable to other Robson affiliates, I am extremely confident the financial community would respond very favorably, as long as the shareholders would be willing to open ownership beyond the immediate family trusts.

A modest increase in meter rates may be warranted, but certainly not the 40+% proposed in one fell swoop as in its application. A 5% to 7% increase, every other year, for 4 or 5 consecutive time periods would be far more palatable.

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

Opinion noted and filed in Docket No. W-02514A-14-0343. closed

\*End of Comments\*

**Date Completed: 6/29/2015**

**Opinion No. 2015 - 122995**

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