

WS-02987A-15-0284



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Arizona Corporation Commi:

Utilities Complaint Form

Investigator: Jenny Gomez

Phone: <<< REDACTED >>>

Completion Date: 8/21/2015 8:23 AM

Priority: Please respond within 5 business days

Opinion Number: 2015 - 124084

Opinion Codes:

Opinion Date: 8/21/2015 8:07 AM

Rate Case Items - Opposed

First Name: Nick

Last Name: Myers

Account Name: Nick Myers Arizona Corporation Commission

Street Address: <<< REDACTED >>>

ORIGINAL

DOCKETED

City: Queen Creek

State: AZ

Zip Code: 85142 AUG 21 2015

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DOCKETED BY [Signature]

Company: Johnson Utilities L.L.C. dba Johnson Utilities Company

Division: Water

Nature Of Opinion:

Docket Number: WS-02987A-15-0284

Docket Position: For

this is an opinion to Johnson Utilities; Docket WS-02987A-15-0284

This is a rebuttal to Mr. Johnson and Mr. Crocket's responses and statements during the open meeting on August 18, 2015. Bolded is their statements/ responses and my rebuttal follows each un-bolded, they are as follows;

1) "The Standpipe was installed circa 2003 to provide construction water to developers and builders in the area in order to meet the demand...The use of the standpipe in such a way for potable purposes was never intended by Johnson Utilities".

This is in direct contradiction to the very first line of the online sign up form "Johnson Utilities Standpipe is intended for Residential Use Only"

2) "...a cottage industry has arisen around the standpipe where water haulers fill tank trailers and tank trucks and deliver potable water to customers for charges that are simply exorbitant".

Water haulers have been around for decades. To say the pricing is "exorbitant" is simply wrong. It is tough to justify pricing as exorbitant when the people profiting from that pricing were, at one point, living on the Supplemental Nutrition Assistance Plan. It is also difficult to justify when one considers

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that San Tan Water Company (STWC) pricing was on par with other haulers in the local area and even won a governmental contract with that same pricing.

3) "STWC purchased water at the standpipe for \$2.49 per thousand gallons and, upon information and belief, resold that water for \$30 per thousand gallons or more".

Multiple things incorrect about this statement: 1) While not recorded with the commission yet, we have certain Johnson Utility representatives at our recent meeting stating that the true cost of the water was closer to \$6.00 per 1000 gallons. Both of these numbers are incorrect as I have shown the commission in my prior filings, it is closer to \$4.67, but I digress. 2) to classify delivery as "resale" is a big stretch and could likely put many haulers around the state out of business.

4) "...questions whether a company such as STWC may legally provide potable water within the area covered by JU's CC&N"

I believe I have already provided the commission with all of the evidence my due-diligence could come up with indicating that it is perfectly fine in Pinal county to do what I and other haulers did/do on a daily basis.

5) "...STWC would appear to be operating as a public service corporation without a CC&N".

I don't have much to say about a statement like this other than "REALLY? Where do you guys come up with this stuff?"

6) "...JU has become concerned about the legal liability that may accrue...Beyond liability, JU has concerns about the health and welfare of those who reside within the boundaries of its CC&N...".

Again...REALLY? STWC has not once had a legal issue or even so much as a complaint in our many years of operation. As a matter of fact, one could argue just the opposite in that there is at least one hauler out there that services the Johnson Utilities CC&N with outside water because, as they indicate, they don't want the legal liability of delivering Johnson Utilities water.

The following is what was drawn from the meeting: Again their statement/ responses are bolded;

1) They mentioned no intent of having companies make money, or businesses arising to deliver water.

Then why did they work with me for 2 years in a good working relationship?

2) Charging \$30/more to deliver

So? First, that is the going rate, second isn't it a free market?

3) Liability concerns of haulers and home tanks?

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Doesn't Road Runner Transit fall in this category as well?

4) What is profiteering in this context?

Isn't it called "business"?

5) "We are copping just like we have before".

This is not an issue of a short term shutdown of 2 or 3 weeks that we can "deal with" while repairs are coming..this is months...that is why we are in an uproar

6) Karen Christian is NOT part of our community.

She did NOT organize this and she did NOT cause an uproar. She actually STOPPED the uproar and picketing and got us on the right path.

7) Their answer is plumbing at an "economical price point".

I have a customer that has pipes run right in front of her house and she cannot afford to hook up...let alone pay the loan.

8) No complaints previously?

I can prove there were prior complaints.

9) George said the family foundation was giving a "grant".

DOES THAT MEAN NO LOAN AND THE MONEY IS "GRANTED" TO US?

10) We are being obstructionists

For trying to get a simple interim solution?

11) Why didn't they stop service in 2008 if that is when the tariff was removed?

Interesting?

12) There are absolutely are other sources of water...

JUST NOT PRACTICAL SOURCES!

13) "Put that money to good use"

Agreed! Stop fighting and paying lawyers and repair the standpipe. It's a lot cheaper than fighting.

14) Johnson Utility Techs DO have keys to the standpipe shed.

They go in there all the time. They pulled the wool over the ACC's eyes.

15) Roadrunner provides service 24/7/365

Yet they have no voicemail and they don't always answer the phone. Mr. Johnson further stated service within 24 hours, yet we have multiple reports in their short operational time that they can't even get water there within 4 days???

16) Johnson Utilities is not allowing STWC to get water from their main plant

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They are requiring other haulers to show a "water haulers permit"...What is that and when I asked to see Road Runners they did not present theirs for me to view.

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Nick Myers

San Tan Water Company

Notes:

Date:	User:	Submitted By:	Note Type:
8/21/2015	Jenny Gomez	Telephone	Investigation

Noted and filed for the record in Docket Control.
