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Arizona Corporation Commission
Docket Control
1200 West Washington
Phoenix, AZ 85007-2996

AZ CORP COMMISSION
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RE: Docket # WS-02987A-15-0284
Johnson Utilities Response to Complaint #2015-127715

DEC 18 2015

DOCKETED BY *KC*

Dear Arizona Corporation Commission:

This letter is in response to the harassing letter filed by Karen Christian as complaint #2015-1277151 in Docket #WS-02987A-15-0284.

Ms. Christian is not a former standpipe customer nor is she a resident of the Bonanza Highlands service area where Johnson Utilities has installed more than 17,000 feet of pipe since discussions on this issue began. Another 17,000 feet has either already been approved by ADEQ or is in the process of being approved at this time. It is not clear to Johnson Utilities why Ms. Christian continues to harass the utility in this manner.

In the first paragraph of her complaint, Ms. Christian incorrectly correlates a portion of Staff's Motion highlighted in the Discussion area of the Order (page 5, line 6) in this case as relating to the actions of Roadrunner Transit, a non-affiliated company of Johnson Utilities. Roadrunner Transit is not an affiliate company of Johnson Utilities, not a regulated entity, and not under the purview of the Arizona Corporation Commission.

In the second paragraph of her complaint, Ms. Christian carefully uses the word "affiliate" and highlights that word by using parenthesis. This harassing language is clearly intended to mislead the reader into thinking that Roadrunner Transit is an affiliated company of Johnson Utilities, and hence, a regulated entity of the Arizona Corporation Commission.

In the third paragraph of her complaint, Ms. Christian provides an alleged quote of Mr. George Johnson from the August 18th Open Meeting. For nearly 6 months, Roadrunner Transit has delivered water to residents in the Bonanza Highlands area for \$12/1,000 gallons, 24/7 hours. Roadrunner Transit is delivering water at a significant loss and raising the price to \$16/1,000 gallons does even not come close to covering the operating expenses moving forward. It's absurd to think that anyone would demand an entity to continue operating at a significant loss. In regard to Roadrunner's change in hours, an estimated 90% of all deliveries were requested and delivered between the hours of 6:00 am and 6:00 pm. Only an estimated 10% of the more than 2.2 million gallons delivered in the past 6 months were delivered between the hours of 6:00 pm and 6:00 am. Again, it would be absurd for anyone to demand a company to continue operating at a loss between the hours of 6:00 pm and 6:00 am. The changes Roadrunner Transit made makes better business sense while still offering the delivery service at below market rates.

The quote provided by Ms. Christian certainly can't be construed to mean that the price would remain at \$12/1,000 gallons, 24/7, no matter what real and actual operating results are. I think people must have misinterpreted what Mr. Johnson said.

In the fourth paragraph, Ms. Christian intentionally misleads the reader into thinking that the referenced August 12th meeting was a meeting held by either Johnson Utilities or Roadrunner Transit. That can't be farther from the truth. Mr. Chris Johnson was invited to attend the meeting and therefore, not a truthful statement made by Ms. Christian. Further, Ms. Christian again uses the misleading parenthetic word "affiliate" to mislead the reader into thinking that Roadrunner Transit is an affiliate company of Johnson Utilities. We have grown quite tiresome of her misleading tirade.

With all best intentions and operating at a significant loss for almost 6 months, the statement made by Mr. Chris Johnson that Roadrunner Transit would hold their water delivery price at \$12/1,000 gallons was made with conviction and earnest intention. Roadrunner Transit cannot continue to operate at such a significant loss as it has been for nearly the past 6 months.

It was mentioned earlier that Johnson Utilities has installed more than 17,000 feet of pipe in the Bonanza Highlands service area. To date, only 5 properties have had services installed and another 9 are scheduled for installation next week. Why aren't all these customer signing up for service where mains have been installed in front of their homes? The majority of the feedback that Roadrunner Transit has received in regard to the price and delivery hour change is "it's still cheaper than I can get it elsewhere" or "if I can't manage my water deliveries in the 12 hours a day and 7 days a week that it is being offered, it wouldn't be Roadrunner's fault if I ran out of water".

We understand that the public is very appreciative of the actions of both Johnson Utilities and Roadrunner Transit. It would appear that Ms. Christian is attempting to create drama where drama does not exist. Isn't it about time that someone who is not from the Bonanza Highlands service area stop making ridiculous statements and rabble rousing the residents in this service area? Isn't it about time someone who is not from this service area stop trying to suck in a non-affiliated, non-regulated entity into a closed docket?

Sincerely,



Brad Cole
Chief Operating Officer