

W-01445A-15-0277

ORIGINAL

Arizona Corporation Commiss
Utilities Complaint Form



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Investigator: Al Amezcua Phone: <<< REDACTED >>> Opinion Date: 5/10/2016
Opinion Number: 2016 - 131495 Priority: Respond within 5 business days
Opinion Codes: Rate Case Items - Opposed Closed Date: 5/10/2016 3:54 PM

Arizona Corporation Commission
First Name: Harold Last Name: Schroyer Account Name: Harold Schroyer
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DOCKETED

MAY 11 2016

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REC'D
AZ CORP COMMISSION
DOCKET CONTROL
MAY 11 2016

Company: Arizona Water Company Division: Casa Grande
Jamie Moe Phone: <<< REDACTED >>> Email: <<< REDACTED >>>

Nature Of Opinion

Docket Number: W-01445A-15-0277 Docket Position: Against

The reasons that Arizona Water Company states that they need a 30% price increase in their Pinal district are not justified. They state because sales have declined due to the last rate increase they need a rate increase. If the demand for water has declined so has the costs of producing water. What happens when they get this increase? Water usage will decline and they will use that for another rate increase. A great portion of the water system is fairly new and does not require as much maintenance as the older parts of the system. Even though they say water demand has gone down the district saw a huge growth during the housing boom. It would be interesting to see the number of customers they have gained since the year 2000. This new growth was mostly funded by developers. When a developer wants to build in an existing water system they are required to fund for the new addition to the system which includes everything needed such as water mains, services and even new water sources such as wells if needed they pay for the water meters. The owner of the water company is handed the new part of the system with customers. These are the parts of the system that require little if any maintenance. Property taxes are another reason they are using to justify the rate increase. That must be some huge increase. The owner of the company has real-estate in the Pinal district that is not part of the water system and is most likely passing it off as AWC property. Before AWC's last increase there was a problem with the installation of the new arsenic treatment plants. It took much longer to get them operating properly so they could get the cost into the rate increase sooner and AWC incurred much more costs than they had expected which was due to mis management by AWC. I feel they are back to try to make up for their mistake. AWC always throws the CAP water in when they go for a rate increase. AWC has no intention of ever doing anything with the CAP water until they are forced to. Ross Abbot stated that they feel they are being treated unfairly by the current water rates. I feel the public is being treated unfairly by subsidizing Ross Abbot's water cost. Ross Abbot for years has had the water wells of their choice because of water quality. They have water delivered in a ductile Iron main 12" in diameter that is miles in length that only serves their facility. They were forced to make a connection to the system that the rest of the customers use but it is only used if AWC can not provide water in Ross Abbots dedicated system which is rare if ever. Ross Abbot has it's own reservoir so they can get by for a while. Ross Abbot not only doesn't want water from the public system because of water quality but they are afraid of the cement asbestos pipe in the public system. If anything Ross Abbot should pay extra for the extra customer service they receive. Another cost saving measure the owner won't budge on is water meters that are either touch reads or better yet remote reads. These would save money but the owner wants someone to visit his cash registers at least once a month. There is no other business that I know of that can tell their employees this is a test year (expense wise) we are going for a rate increase. You can guess what that means. The general public has not seen wage increases for years it is very unfair for AWC to get any kind of increase.

Investigation

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Date:

Analyst:

Submitted By:

Type:

5/10/2016

Al Amezcua

Telephone

Investigation

Comments noted for the record and docketed. CLOSED.
