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Arizona Corporation Commis  
Utilities Complaint Form

Investigator: Mary Mee Phone: <<< REDACTED >>> Opinion Date: 3/24/2017  
Opinion Number: 2017 - 139783 Priority: Respond within 5 business days  
Opinion Codes: Rate Case Items - Opposed Closed Date: 3/24/2017 11:04 AM

First Name: Monica Last Name: Schwegel Account Name: Monica Schwegel  
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Arizona Corporation Commission

DOCKETED

Company: Walden Meadows Community Co-Op Division: Water

MAR 27 2017

Nature Of Opinion

Docket Number: W-02369A-16-0481

Docket Position: Against

DOCKETED BY

GB

I am writing to oppose this proposed rate increase for Walden Meadows Community Co-op ("the company") because it is not necessary for the following reasons: 1. The only reason the company is in financial difficulties is that Jim West of Acme Water Company had not been paying for the water pumped to Acme. Had Acme been paying the correct amount, there would be over \$105,000 in the company treasury. We have been told that Acme was taking in \$5500 per month from its customers and paying the company only \$2500 per month. With the incorporation of Acme customers into the company, all those funds will be coming directly to the company making an additional income \$3000 per month, at the current rates. 2. As the Acme customers will be joining the company, which is a non-profit cooperative, they will have to pay a membership fee to be a part of the company. At the present rate of \$230 per property, this will immediately bring in \$28,750. Adding in the additional \$3000 per month, as noted above, the company will have the \$38,533 they say is needed within three months of incorporation, without a rate increase. 3. Using the reason as there has not been a rate increase in thirty years is not a reason. As mentioned above, had Mr. West been paying the company for the water pumped, the company would have over \$105,000 in their treasury. The current rate charged its customers was keeping up with the expenses with plenty of funds for emergencies as they occurred. 4. The company, Walden Meadows Community Co-op, is a not-for-profit cooperative. If these rate increases go into effect, within two years, there will be over \$200,000 in the treasury and will only go up from there. We do not need hundreds of thousands of dollars in our treasury, not for a not-for-profit group. This co-op was established to bring safe, economical water to our community, not to make a profit over what is required for operations. 5. Our community has not had a power outage lasting for more than a couple of hours, especially since A.P.S. installed a separate substation for our community several years ago. A back-up generator has never been needed in the past and no reason to assume that one is required now. 6. This is a rather poor community with most residents retired and living on limited incomes. A 48% rate increase will be hard on many residents, and again is just not necessary. I commend the Arizona Corporation Commission for helping the company stop the monthly losses we had been experiencing for over four years. The fact that we were able to continue operations, without problem, in spite of losing thousands each month, proves that the current rates are sufficient for operations. Now that the company is not faced with monthly loses, and will be receiving thousands additional funds from Acme's customers, this steep rate increase is just not necessary. Thank you for the consideration you will give to this letter.

Date: 3/24/2017 Analyst: Mary Mee Investigation Submitted By: Telephone Type: Investigation  
Comments noted for the record and docketed. CLOSED

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