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DOUG LITTLE - Chairman

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ARIZONA CORPORATION COMMISSION RECEIVED

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RE: Application of Green Acres Water Company for Approval of an Emergency Rate Increase
Docket No. W-02271A-14-0265

DOCKET CONTROL

Dear Chairman Little, Commissioners, and Interested Parties:

Last week, I traveled to Yuma as part of my year-long "Rural Arizona Corp Comm Tour." The idea behind this effort is to help improve the relationship between the Corporation Commission and Arizonans who live in the far reaches of the state.

While in Yuma, I had the opportunity to speak with Ms. Nancy Miller of Sunstate Environmental Services and Yuma County Supervisor Lenore Loroña Stuart about Green Acres Water Company ("Company"). Both expressed deep concerns about water quality and reliability for the Green Acres community. As you might be aware, Green Acres has been plagued by these problems for years. Indeed, the Commission Staff indicated in Decision No. 74824 (November 13, 2014) that the Company "is inadequate to meet the needs of its current customers." (Decision No. 74824, at 3.) The Company even admitted in its emergency rate application that it:

"Receives calls from customers due to inadequate water pressure; that the system may not be able to sustain water pressure needed for fire protection; the system is a dead-end system, rather than a loop system;...[that] there are no backflow devices....that its water quality does not currently meet applicable water quality standards, and that an arsenic filtration system needs to be installed." (*Id.* at 3.)

The Commission rightfully approved an emergency "Repair Surcharge" to address these issues (*Id.* at 8) but restricted surcharge revenues to "high priority plant repairs set forth in the Staff Engineering Report." (*Id.* at 5.) Unfortunately, 16 months have passed, and there is still no significant progress in improving water service at Green Acres. Access to clean and reliable water, especially in the Desert Southwest, is a matter of life and death, so you can imagine my great concern upon hearing from several people in Yuma who talked of the Company's frequent water service outages.

Ms. Miller, who is the Interim Operator of the Company, suggested that repair and recommissioning of the primary and most productive well (i.e., the East Well Facilities as noted in *Id.* at 3-4), and also replacement of several portions of the Company's distribution lines, are key to improving water service. Decision No. 74824 precludes Ms. Miller from using the Repair Surcharge for those purposes. (*Id.* at 8-9.)

To that end, it may be prudent for the Commission to reconsider certain provisions of Decision No. 74824. Namely, the Commission may want to evaluate whether the Company should have greater flexibility in how to spend monies collected through the approved Emergency Surcharge.

On a separate matter related to the Company, Decisions 74234 (December 21, 2013) and 74824 raise questions about ownership claims of the East Well Facilities. The Green Acres community not only deserves clean, fresh water, but certainty about the integrity of the Company and the Company's water system. The Commission may want to explicitly direct Commission Staff to clarify the ownership of the assets that constitute the Company's water system.

I thank my colleagues for their earnest consideration of this letter. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Tobin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Andy Tobin
Commissioner