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Customer Services Section
Arizona Corporation Commission
1200 W Washington St
Phoenix AZ 85007
RE: Docket No. W-01445A-04-0650

February, 2005
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FEB 25 2005

AZ Corporation Commission
Director Of Utilities

Hello,

I wish to comment on two aspects of this proceeding. First, the nature of the public input process; second, the rate application itself.

The notification of hearing enclosed with Arizona Water's February billing is a model of bureaucratic insensitivity. You write in the passive voice, use jargon, and the tone is intimidating. What is the matter with the words, We, You, and Us? What is the matter with greetings, conversational language: simple sentences, active verbs, pronouns, and closings that identify the sender?

And, I notice that you are once again holding the hearings in a place where the company does not do business. Customers who wish to attend or testify must travel up to one-hundred-twenty-five miles one way. The hearings are also being held in June, when many seasonal customers are absent and the temperatures are soaring. I believe that the greatest amount of thought that goes into these affairs is about how to discourage people from participating.

Now, about the proposed rate increase. Am I reading this right? Twenty-five-point-three percent! This can only be viewed as the result of gross incompetence over the past several years, or a complete lack of forethought. How, with the inflation rate and interest rate what they have purportedly been, can the company have gotten itself into such a situation? If the company is experiencing such a shortage of revenue, the free market result would be a sale of the company at a price that would allow the new owner to earn a fair return on investment while charging a reasonable rate. If you, the commission, indeed serve to replace competition in the regulation of monopolistic enterprises, then you can simply order the company to cut costs or sell out.

Finally, supposing you will approve a large amount of this proposed increase, how about placing the financial burdens where they belong: on those who waste water? Each of us should be able to purchase sufficient water for culinary and sanitary use at a low cost per gallon, plus a reasonable cost-of-service charge. At the point where the amount of residential water use exceeds a predetermined amount per capita, we should not only expect to pay the company's costs, but a heavy surcharge for the depletion of what thoughtful people believe is an exhaustible resource. Such users as golf courses, car washes, manufacturing, and landscaping, for example, should pay for the resources they use as if those resources were (and they are) finite and irreplaceable. That, realistically, means paying for the eventual demise of large populated areas. Figure the amount of that charge!

I don't envy your job. I do often wonder why the Corporation Commission exists.

Sincerely,


Tom Savage
Ajo AZ

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