

ORIGINAL



June 6, 2005

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Docket Control
Arizona Corporation Commission
1200 W Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

JUN - 7 2005

Re: Arizona American Water Company
Arsenic Equipment Investment Recovery Hearing
Docket No. W-01303A-05-0280 et al.

DOCKETED BY *KD*

W-01303A-05-0280
WS-01303A-02-0867
WS-01303A-02-0869
WS-01303A-02-0870

To Whom It May Concern:

This letter is to comment in the application referenced above.

The Commission and its staff are encouraged to conduct a thorough financial analysis of the Company's request to determine the appropriateness of the levels of the requested surcharges. In my personal case, it's incomprehensible, without the benefit of complete financial data, that the proposed surcharge of \$5.61 per month is a justifiable amount as it represents a 26% increase in my monthly water bill.

This is an unreasonable, excessive increase and should be fully investigated in the context of the Company's required capital investment, return on investment, the useful life of the treatment facilities, the method and length of the depreciation and depreciation period. Also, how is the surcharge calculated across the current user base and projected increased number of users in each water district over the depreciated life of the treatment equipment? Why is the requested incremental amount referred to as a surcharge? Is it really a rate increase in disguise or will the surcharge eventually terminate at the end of some time period? The users in two of the water districts include a substantial senior population on fixed incomes most whose disposable incomes will not support billing increases of this magnitude.

In an unrelated matter, the City of Surprise includes charges on our monthly water bill for sewer and waste water treatment services. In most months, the charges are either equivalent to or slightly higher than the water charges. I would respectfully request that the Utilities Division review Surprise's rates for appropriateness considering the rapidly increasing user base in the city.

Thank you for consideration of my comments.

Yours truly,

Duane J. Reyer
Duane J. Reyer
17421 N. Potomac Lane
Surprise, Az 85374

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