

ORIGINAL



13632 N. Bittersweet Way
Fountain Hills, AZ 85268

2005 MAY 31 P 12: 55

4700

Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007
ATTN: Docket Control # ~~W02113A040616~~

AZ CORP COMMISSION
DOCUMENT CONTROL

W-02113A-04-0616

To Whom It May Concern:

I am writing this letter in response to a rate proposal that is being made by the Chaparral City Water Company (CCWC) operating in Fountain Hills.

Chaparral City Water Company is proposing a rate increase to residential users of between 14% and 42%. The increase was initially my reason for the opposition to this, as it is simply too large of an increase during an economy where employee raises are averaging around 2% or none at all. However, after review of their proposal, my concerns have grown. In the literature that was mailed out to the Fountain Hills residents, CCWC states that they are going to make rates "fair" and they will do this by penalizing "high use" customers. They further describe "high use" as anything over 8000 gallons/month. I have received data from CCWC indicating that the average home in Fountain Hills uses over 8000 gallons/month. CCWC deceived the public by stating in their brochure that the "typical" (implying average) home uses less than that. In addition, they state in their brochure that they are going to charge higher rates to irrigation users that consume large quantities of water. Mr. Hanford (CCWC representative) sent me an email and informed me that the rates will STILL be considerably lower than residential rates. The CCWC proposal is to penalize high use water customers, but ONLY if they are homeowners. With their current rate proposal, this will affect the majority of homeowners in town. The "penalties" (as CCWC calls it) will also greatly affect families, since a family of 4 or 6 uses considerably more water than a single individual living in a house, even though the usage per person might be considerably lower. Meanwhile, the really high usage customers (i.e. golf courses, homeowners associations, etc...) will still be allowed to use as much water as they please at very low rates.

Arizona Corporation Commission
DOCKETED

MAY 31 2005

DOCKETED BY 

We all know that living in the desert, we need to be conscious of how we use water. However, we also know that simply charging more will NOT encourage conservation, only education will. Look at the prices of gasoline and the size of vehicles on the road. OPEC simply gets richer as Chaparral City Water would like to.

Regarding the rate increase proposal, I feel (as well as many others in town) that it is an unreasonable proposal, and would like your Commission to carefully review and consider it as such.

I have lived in Fountain Hills since 1993. According to Chaparral City Water Company, they claim that they have not increased rates since 1991 (the last time they had approval to do so). This is not true. In the May 2003 timeframe, Chaparral City Water raised my water rates (and those of my neighbors) without any notice or approval. This was done in a very sneaky way which was not detected until now.

Please consider what I have written regarding this "unfair" and excessive proposed rate increase, and I also request that your commission investigate the unethical (and I believe illegal) rate adjustment that was made in 2003. On or about April 2003, several residences received a bill where their zone had been changed to zone 3 (the highest water rate). This zone and the corresponding rate are based on elevation of the property. Obviously, the elevation of the properties had not changed. This change was very difficult to detect, and was not detected by anyone at the time. I discovered it only recently when Mr. Hanford's refusal to provide me with information I requested made me suspicious. I have brought this overcharge situation to the attention of Mr. Hanford (General Manager of CCWC) and he told me in an email that CCWC would not investigate the matter. I am very upset over this CCWC action and I am considering what options my neighbors and I have in challenging this illegal act. I have supporting documentation and emails regarding this matter.

Thank you for your consideration on this matter,


Michael Killian
(602) 231-2739