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Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007-2996

AZ CORP COMMISSION  
DOCUMENT CONTROL

W-01427A-01-0487

RE: Litchfield Park Service Company's Rate Increase

Dear Sirs:

My wife and I have been living in the LPSCo service area for twelve years. To date we have had at least two occasions to be very upset with the services offered from LPSCo.

After comparing our rates with my daughter who also lives in Litchfield we were amazed to realize the difference in basic service charged to residence subscribers. I contacted the LPSCo Management and was informed that the Arizona Corporation Commission prepared LPSCo's rates. As a retired Utility Engineering Manager I understand that the Management of LPSCo prepares a presentation for rates and the corporate commission reviews and establishes a fair rate of return.

At this time we discussed the difference in cost of one subscriber has a one-inch entrance pipe and the other a three-quarter inch entrance pipe. Management told me LPSCo had to increase the size of their main service water lines to accommodate this difference in pipes. In my experience, there had always been a set standard for residence subscribers entrance pipes on the original installation and therefore the basic service charges are all the same.

Just this last month I had to call the plumber to fix a leak at our home. The plumber was told by LPSCo personnel that no Gibson lived at 790 Val Verde Circle East so the LPSCo shut off the water at 750 Val Verde Circle East for the Clarence Gibson family two doors west of me. I have lived in this home for the entire twelve years and this is poor customer service in all respects.

My wife and I feel this rate increase is excessive. We are counting on your auditors and engineering personnel to complete a fair audit of the LPSCo financial statements as well as their presentation in respect of its financial status.

Sincerely,

*William F. Gibson*

William F. Gibson

Arizona Corporation Commission  
**DOCKETED**

**MAY 28 2002**

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**PUBLIC NOTICE OF HEARING ON THE  
RATE APPLICATION OF  
LITCHFIELD PARK SERVICE COMPANY**

On June 15, 2001, Litchfield Park Service Company ("Company") filed an application with the Arizona Corporation Commission for a 52.01 percent increase in water revenues and 39.23 percent increase in sewer revenues. Copies of the Company's application and proposed tariffs are available at its office and the Commission's offices for public inspection during regular business hours.

The Commission will hold a hearing on this matter beginning April 3, 2002, at 10:00 a.m. at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written motion to intervene with the Commission, which motion should be sent to the Company or its counsel and to all parties of record, and which, at the minimum, shall contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of the documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer of the Company, a shareholder of the Company, etc.).
3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before November 16, 2001. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any customer for appearing at the hearing and making a statement on such customer's own behalf.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Shelly Hood, ADA Coordinator, voice phone number 602/542-3931, E-mail [shood@cc.state.az.us](mailto:shood@cc.state.az.us). Requests should be made as early as possible to allow time to arrange the accommodation.

## UNDERSTANDING THE PROPOSED WATER/SEWER RATES

*September 2001*

The cost of everything eventually goes up – including water and sewer.

Litchfield Park Service Company (LPSCo) is currently petitioning the Arizona Corporation Corporation (ACC) to raise water and sewer rates. As required by law, a copy of the "Public Notice of Hearing" for LPSCo's rate case is enclosed.

Your current water and sewer service rates were implemented in 1998 and are based on 1996 costs. The new rates are expected to go into effect mid-2002. This means it will have been at least four years since the last rate increase.

Under LPSCo's new rate proposal, the average 10,000-gallon, ¾-inch meter LPSCo customer's water bill will increase about \$7 per month to \$21. Sewer bills for the same residential customer will increase about \$9 per month to \$32. *Even with the increase your residential water rates are still the least expensive water in the West Valley.* The sewer rates, although higher than before, are still only about a dollar a day.

Here is the main reason for the proposed water rate increase: To keep your water supply dependable and keep the system running smoothly, LPSCo has made significant improvements in both the new and aging areas of the water system. In the past five years, LPSCo has taken major steps in replacing an aging hydrant and water connection system in Litchfield Park; brought on new wells, upgraded the pumping equipment and its backup power system at the reservoir, and upgraded safety and water quality assurance equipment. These are all important long-term investments that benefit everyone.

Perspective is important. Here's the best perspective we can give: Even with the water rate increase, you will be getting 1,000 gallons of water delivered to your door for about one dollar! One gallon of water at the local convenience store typically costs you more than that!

The major contributing factor to the increase in the sewer rates is the investment in the 1996 expansion of the City of Goodyear sewer plant. Your wastewater is sent to this plant, purified and then used as both a water source for non-crop irrigation and to recharge the groundwater in the immediate area- resulting in a significant benefit to the overall groundwater supply.

LPSCo remains committed to providing the highest quality water and sewer service. In compliance with environmental regulations, we are testing your water more than ever before – part of our commitment to give you and your family safe, clean, high-quality water. There's nothing that matters more. *But this level of service bears a cost.*