



WS-01303A-02-0867
WS-01303A-02-0868
WS-01303A-02-0869
WS-01303A-02-0870
W-01303A-02-0908

May 15, 2003

Arizona Corporation Commission
Utilities Division
1200 West Washington
Phoenix, AZ 85007
(602) 542-4251

DOCKETED

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AZ CORP COMMISSION
DOCUMENT CONTROL

RE: Docket number WS-01303A-02-0870, Arizona-American Water Company Rate Increase

DOCKETED BY *CA*
Arizona-American Water Company Rate Increase

To Whom It May Concern:

We are residents of Anthem, Arizona, and as such, subscribers to the services of Arizona-American Water Company. It has recently come to our attention that you are looking into the pending rate increase which has been requested by Arizona-American Water Company.

We are contacting you today to express our concern over this rate increase. Based on the information we have received, we are concerned that the rate increase requested is not reasonable. Our specific concerns are as follows:

1. A substantial portion of this increase is to offset new "infrastructure" costs. It is not clear what those costs include, and we are concerned that some of the costs do not directly relate to the water and sewer infrastructure of Anthem.
2. Based on comments by AZAWC in the local newspapers, part of the rate increase is to offset past losses due to their use of overly optimistic growth forecasts for Anthem in determining their initial rates. Actual growth rates for Anthem have exceeded initial Del Webb forecasts, and build-out is scheduled much earlier than originally anticipated. These conditions should lead to greater PROFITS for AZAWC, not losses. Therefore, we have serious doubts that the real cause of AZAWC's losses has much to do with the growth forecasts.
3. There were also comments by AZAWC in these newspapers that rates could be REDUCED in the future depending on the actual growth of Anthem. We would certainly like to see a very strong commitment to future rate reduction as a condition of any current rate increase, including more specific conditions clearly spelled out by AZAWC and ACC.
4. Finally, based on comments by AZAWC in the local newspapers, it appears that AZAWC is requesting a relatively high profit margin in this rate increase.

Thank you in advance for protecting our interests and handling this matter to the best of your ability.

Sincerely,

Signature	Name	Address	Phone Number
<i>Bernard Glossy</i>	Bernard Glossy	Anthem, AZ 85086	623-551-8980
<i>Manella Cross Glossy</i>	Manella Cross Glossy	42002 N. Longcove Way Anthem, AZ 85086	623-551-8980
<i>Beverly Geisler</i>	Beverly Geisler	2243 W Firethorn Way Anthem, AZ 85086	623-551-1590
<i>Linda E. Baird</i>	Linda E. Baird	1915 W. Turtle Hill Ct Anthem, AZ 85086	623-551-5932

A.C.C.

March 2003

Residential Utility Consumer Office
1110 West Washington, Suite 220
Phoenix, AZ 85007
(602) 364-4835
(602) 364-4846 Fax

RE: Docket number W-01303A-02-0867 et al, Arizona-American Water Company Rate Increase

Dear M. Diaz-Cortez, T. Coley, D. Pozefsky, and W. Rigsby,

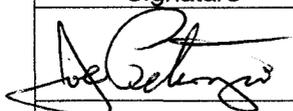
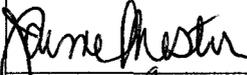
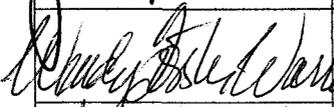
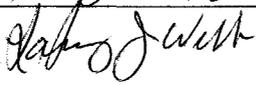
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Thank you in advance for protecting our interests and handling this matter to the best of your ability.

Sincerely,

Signature	Name	Address	Phone Number
	Joe Petruzzio	2327 W. FIRETHORN AN Anthem, AZ 85086	623-551-5101
	Jaime Chester	2360 W Muirfield Dr Anthem, AZ 85086	623-551-5238
	Wendy Esler	4142 N CEDAR CHASE RD Anthem, AZ 85086	623-551-3630
	LARRY J. WEBB	4142 N CEDAR CHASE RD Anthem, AZ 85086	623-551-1007

