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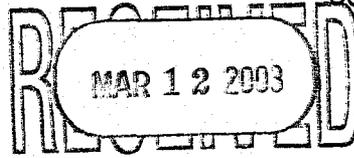
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ARIZONA CORPORATION COMMISSION  
RECEIVABLES Division

Docket #

2003 MAR 20 P 2:09  
200 W. Washington  
Phoenix AZ 85007

ARIZONA CORPORATION  
COMMISSION



WS-01303A-02-0867 870  
WS-01303A-02-0868  
WS-01303A-02-0869  
WS-01303A-02-0870  
W-01303A-02-0908

AZ CORP COMMISSION  
DOCUMENT CONTROL

Dear Sons,

Director of Utilities

I recently attended a meeting with  
the AZ - American Water Company in ANTHEM.  
Their printed statements said this:

**Q. Why does Arizona-American need a rate increase?**

There are several reasons for this rate increase. As water systems age, maintenance and repair costs increase. In addition, the cost we pay for goods like valves, pipes and pumps to transport water and wastewater, chemicals to treat water and labor have increased. Just as your costs to purchase goods increases over time, so does ours. In many areas, our customers haven't had a rate increase in more than 5 years.

What they didn't say:

over a year ago we purchased this water  
company from Del Webb knowing it was not able to  
earn a 7.75% profit, without a huge increase  
in rates (approx 33%) This profit, they felt, was  
almost guaranteed, would be after taxes, hence  
not a 8% increase, but the 33% indicated

Arizona Corporation Commission

DOCKETED

MAR 20 2003

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**Q. Will the additional costs result in additional profits for Arizona-American Water Company?**

A. No. The rate increase is the first in more than 5 years, and is needed simply to maintain current levels of service, system reliability and to keep up with increased costs in goods we purchase, such as chemicals, postage and labor.

How can you trust a company that blatantly  
lies to its customers?! It's all about additonal  
profit, and they're the ones who admitted as such. 74 1 of

Each new homeowner <sup>is</sup> charged approx \$750<sup>00</sup> for hookup, and this is included in the house price.

If the base price is set at almost \$90<sup>00</sup> a month there is no incentive to save water. Why not increase new home charges, set the base price low, and increase for above normal water usage?

I live in Vail, Co. in the summer now and year round for most of the last 25 years. As some of you know Vail is not an inexpensive place to live, yet our Anthem sewer and water bills are currently 85% higher than Colorado for the same 7,000 gallons usage.

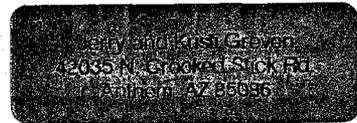
Below are figures to support their requests, yet totally, our increases would result in bills over 100% higher than the others presented.

Water/Wastewater System	Current Bill	Proposed Bill	Total % Increase	Last Action Date	Last Action Impact
*Agua Fria Water	\$22.46	\$24.13	7.44%	May 97	Increase 24 <sup>00</sup>
*Anthem/Agua Fria Wastewater	\$30.00	\$45.45	51.50%	June 1998	New <del>88</del>
Anthem Water <sup>88</sup>	\$36.42	\$42.58	16.91%	June 1998	New <del>88</del>
Sun City Water	\$11.17	\$21.09	88.81%	May 1997	Decrease 21
Sun City Wastewater <sup>36</sup>	\$12.87	\$14.48	12.51%	May 1997	Increase 31 <del>14227+</del>
Sun City West Water	\$11.67	\$16.84	44.30%	May 1997	Decrease 28
Sun City West Wastewater <sup>42</sup>	\$16.24	\$25.27	55.60%	May 1997	Increase

AZ-American also divided their corporate structure so that Anthem would have to show a profit on their own. Where is their responsibility, prior to purchasing this system from Del Webb, to the consumer and homeowner to provide water and waste treatment at an affordable price that still allows for their investors a reasonable profit?

Sincerely,

Gerald J Green



623 551 8244

P.S. Please advise me of future discussion with the commission.

P.S.S I don't trust a company (AZ AMERICAN) that has a meeting (in Anthem) with no chairs!