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To: Arizona Corporation Commission
Re: Docket # SW-02591A-06-0015

2006 SEP -8 P 2:59
AZ CORP COMMISSION
DOCUMENT CONTROL

I moved to Gold Canyon in the summer of 2004. At that time the decision had been made to stay w/ Gold Canyon Sewer Company (GCSC). Apparently they had some competition.

Algonquin, parent of GCSC, was going to spend some money on the GCSC facility and stated at a public meeting in Gold Canyon that there would be no rate increase for 5 years as I understand it.

At least some of the money to be spent at the GCSC facility was to solve an odor problem. The odor still exists.

Moreover a recent newspaper article indicated that the work done at GCSC had been done by other Algonquin subsidiaries and at inflated margins.

Sounds like someone at Algonquin made a management error or forecasting mistake about Gold Canyon.

How do you get to the bottom of this? How do you know if any work was done at all? What payback period is GCSC looking at? Is future growth in this rapidly growing area being factored in? Were there expenditures made beyond solving the odor problem? - if so were these mentioned at the meeting?

I don't envy you in this matter. Getting to the truth in this matter must be difficult.

I don't have enough information for the larger situation.

But in my personal situation I can't make the numbers make sense.

Year to date I'm paying right at $21.00 per month to Arizona Water Company for my water, part of which is used for front- and back-yard irrigation, washing my truck and occasionally hosing down the patio and driveway.

I'm presently paying $35.07 per month to GCSC with a request from GCSC to raise that to around $71.00/month. This makes no sense to me.

Moreover it is my understanding that we already have one of the highest sewer rates in the Valley out here.

Arizona Water Company, SRP and Southwest Gas who supply water, electricity and natural gas all meter and know how much of there product is being used

GCSC has apparently a much less sophisticated process and has to guess at how much sewage comes out of each house. It would seem that the amount of sewage would be more directly related to how much water comes into the house or how many people live there. I think GCSC uses square footage.

If GCSC is not willing to have some sort of metering system perhaps they can coordinate with Arizona Water Company.

I guess you go through this kind of stuff all the time.

I'm sure you'll be fair based on the information you have.

Good luck in getting to the truth.

Sincerely

Richard L. Phenes