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W-01303A-05-0405
W-01303A-05-0910

October 22, 2007

Chairman Mike Gleason
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

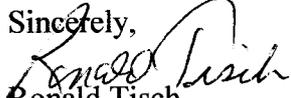
Subject: Paradise Valley/Arizona American Water Rate Increases
Case No. 05-0405
Decision: 68858

It is my understanding that you may reopen the rate case for the high block surcharge and public safety surcharge for Arizona American water customers living in Paradise Valley. Although I disagree with the basis for the rate increases as I stated in my letter of March 19, 2007 to you, I would appreciate if you would consider a more equitable rate structure that would require all customers to pay for the fire flow system improvements.

It concerns me that the current rate structure excludes payment for the first 25,000 gallons for the fire flow system improvements. Why should customers who primarily fall in this usage range be excluded from paying for the improvements that benefit them? Arizona American Water requested the rate increase to cover their capital costs for the fire flow improvements. All customers should pay toward that cost. If you feel a tiered rate structure is appropriate, then I ask you to have one that includes the customer's total usage from the first gallon to the last.

I know from what is being reported in the local town paper, that the Paradise Valley Town Council is pushing for a rate structure that promotes water conservation, and I am not against that objective, but design a tiered rate structure that includes the customer's total usage. Why should low volume users get a "free ride" even though they may have as much real estate at risk as high volume users? Lets not forget the primary purpose of the rate increases was to recover costs for a capital expenditure and not to promote water conservation. The capital costs are for an improved fire flow system that benefits every residence and commercial property in Paradise Valley. Everyone should pay towards these improvements regardless whether their water usage is high or low.

Sincerely,


Ronald Tisch
6809 N. Tatum Blvd
Paradise Valley, AZ 85253

Arizona Corporation Commission
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cc: Commissioner Kristen Mayes
Commissioner William A. Mundell
Commissioner Gary Pierce
Commissioner Jeff Hatch-Miller