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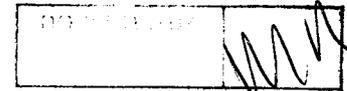
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By Arizona Corporation Commission  
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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL



Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007

Re: Application of Arizona-American Water  
W-1303A-07-0209

Dear Commissioners,

I am an "av" lawyer, who was the last one to serve two terms in Colorado as U.S. Attorney. And I have never been requested to resign and served under three presidents and am a Republican. I am in Who's Who in American Law. I incorporate my previous testimony when I spoke at the Sun City hearing on a corresponding application for waste water service increase. I provided a written opposition at that time. I incorporate what I said and wrote at that time.

The stated basis for the corresponding application dealt with the need to expand services. I appreciate that what was once a small water company, Sun City Water Company, serving only Sun City has grown to the largest independent server in the state. It started with water rights provided by Del Webb and all pipes, pumps, meters, tanks, etc in place. It paid about one million dollars. Its greed was quickly apparent, as it sought to claim ownership of the water it was distributing. It took a court to say it didn't.

Because there was no municipal organization for Sun City, Central Arizona Project gave Sun City's share to Sun City Water Company. Obviously, that was to be held in trust for Sun City. Sun City never got any. Recently, AZ-AM sought to trade part of that water for all of the grand fathered water held by Sun City Recreation Centers and even to include water RCSC held in trust and didn't own. That has not gone forward but nothing can prevent it from happening. Residents surrendering their valuable water for polluted river water were required by ACC to pay for the expensive water distribution system through increased water rates. In any event Sun City has lost the water held for it in trust, because now it appears that water will be treated by AZ-AM in its new plant and sold to new residents of the northwest area.

The efforts here are to get its original generous patrons pay for its great expansion designs on the new metropolitan areas. This is the time to say that new patrons should pay for expansion of the water company. I am certain AZ-AM has recouped many times the million dollars originally paid for Sun City Water Company. AZ-AM admittedly is trying to recoup what its German owners paid to acquire AZ-AM. Mr. Reiker, speaking fr AZ-Am said as follows, "WE'RE

**CONFIDENT THE RATE INCREASE WILL BE APPROVED, AS THE COMPANY NEEDS TO RECOVER INVESTMENT.”** I have no doubt he wouldn't make up this motivation , if it were not true. The major issue is therefore should we be penalized because its owners want its assets without having any investment in it.

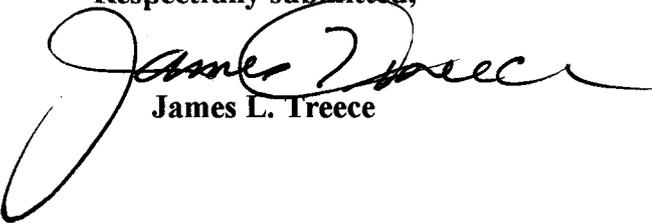
Another way of looking at the request is whether we in Sun City should pay for AZ-AM expansion or whether new users should pay for any necessary expansion. We have paid our dues many times over. **WE CANT STAND TO CARRY NEW AREAS ON OUR AGED BACKS.** Our money was earned when it was worth much more than it is today. What is earned now in a month may have required six months of effort to earn twenty years ago. Sticking the aged is not the appropriate answer to AZ-AM.

**We are still paying a ground water saving charge and have for many years. It should be refunded to the rate payers.**

In the business section of the Denver Post for November 28, 2007 there is a report of how Denver is responding to such requests. “Growth pays its own way“, says David La France, Utility Finance Director of the Board of Water Commissioners. “The fees are a one-time charge typically paid by the builder or developer of a new property to gain water service at a location where there is none. This shelters the existing customers ... from higher water rates. (Existing customers' rates are lower because the developers are paying for the system they are going to use.”

In conclusion I would say that AZ-Am owes money to Sun City customers having collected a ground water saving fee for many years. Further the increase should be denied as it represents an effort to put on the back of old users the costs for new users. Alternatively, the request is a concealed attempt to recover complete acquisition expenses, which is not a proper basis for a rate increase.

Respectfully submitted,



James L. Treece