

**ORIGINAL**

**Betty Camargo**



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**From:** Rich Erickson [rerrickson@frontiernet.net]

**Sent:** Saturday, October 25, 2008 3:09 PM

**To:** Gleason-WebEmail

**Subject:** RATE REQUEST #SW-01303A-08-0227

W-01303A-08-0227

To Chairman Gleason:

I am contacting you to request that you refuse to grant Rate Request No. SW-01303A-08-0227. Arizona American Water has already raised their rates from \$39.83 to \$49.76 several years ago. Now this company is requesting an exorbitant rate increase in the 80% range. At any time, but especially during this hard economic period, this request is preposterous.

It was their decision to expand for future business/capacity. We who have been paying into the system for years should not have to pay for future users. The company can wait to make their profit and not put it all on our shoulders.

Respectfully,

Shirley Erickson/Richard Erickson  
5678 South Desert Lakes Drive  
Fort Mohave, AZ 86426-9298 (928) 768-4652

Arizona Corporation Commission  
**DOCKETED**

OCT 27 2008

DOCKETED BY	
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**RECEIVED**

2008 OCT 27 P 2: 24

AZ CORP COMMISSION  
DOCKET CONTROL

10/24/08

Mr Gleason,

In writing reference a rate increase  
42 American water is asking for.

Enclosed is a letter from 42 American  
and my response to Mr Stuck.

This increase is simply not justified.

Thank you

Deel Ryan

10/24/08

Dear Mr Stueck,

The rate increase you are asking the Arizona Corporation Commission to approve is totally ridiculous. Our monthly bill went from approximately \$18.00 to \$38.00 overnight. If that weren't bad enough you have sent us tainted water. It appears AAW wants us to pay for its mismanagement. To insure I was not totally off the wall in my feelings I've spoken to dozens of your customers, each one feels as I do.

Instead of a rate hike we should receive credits to our accounts for the horrible service and product you delivered to us.

thruface  
Dell Ryon



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October 24, 2008

**Dear Paradise Valley-Scottsdale water customer:**

I am writing to you to explain our recent request to the Arizona Corporation Commission (ACC) to increase the rates we charge for water service in your area. The rate increase request is 70 cents per day for the average residential customer with a 5/8 inch water meter and if approved would take effect late summer 2009.

**Why do we need a rate increase?**

The requested rate increase is necessary to pay for the significant improvements being made to your water system to keep it well-maintained and in good condition. In addition, some operating costs have increased since our last request for a rate adjustment which was filed in 2005.

We understand that no one wants to see their bills go up, especially during these challenging economic times, but the proposed rate increase is necessary to ensure that our system is capable of meeting your existing and future water needs.

The majority of the requested revenue increase is due to new investment in the local system. Since the previous rate filing, Arizona American Water has invested approximately \$26 million in the Paradise Valley water district. The primary investment was in a new arsenic removal facility constructed to comply with federally mandated arsenic standards. Other investments include transmission and distribution mains, tank reservoirs, pumps and wells throughout Paradise Valley and Scottsdale. These system improvements prevent leaks and main breaks, and maintain adequate water supply and water quality. Fire flow improvements were funded separately through revenues collected from high-block surcharges and public-safety surcharges.

The remainder of the additional revenue requested will cover increases in electricity costs, labor and labor-related expenses and other operating expenses.

**How much will it cost?**

Under the proposed increase, the average water bill for residential customers in the Paradise Valley water district with a 5/8 inch meter would increase by 70 cents per day from \$49.21 to \$70.26 per month based on monthly water consumption of 20,493 gallons, an increase of 42.79%. The average water bill for residential customers with a 1-inch meter would increase by \$1.75 per day from \$137.35 to \$189.86 per month based on monthly water consumption of 56,575 gallons, an increase of 38.23%.

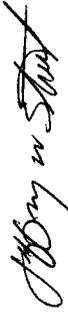
This is a significant increase, but ultimately the investments funded by the rate increase may save customers money in the long run as a well maintained water system is more efficient and reliable.

Water rates for each of Arizona American's districts are approved by the Arizona Corporation Commission and are determined based on the unique local cost to serve each district separately.

Customers will soon receive a required public notice containing important information about the rate filing. This packet will include the date of the hearing at the ACC, opportunities for public comment and deadlines for case participation.

Arizona American Water will hold a community meeting at **6:30 p.m., on Oct. 28, 2008 at the Kiva Elementary School located at 6911 E. McDonald Dr., Paradise Valley, AZ**, to inform customers about the proposed water rate increase. Water professionals will be on hand to answer customer's questions and provide information about water rates, water quality, conservation and customer service. Further details on current Paradise Valley water district rates are available at [www.arizonaamwater.com](http://www.arizonaamwater.com) under the Customer Service tab.

Thank you,



Jeffrey Stuck

Director of Operations, Eastern Division