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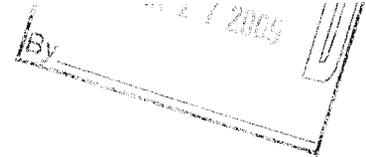


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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL



March 11th, 2009

Arizona Corporation Commission  
1200 W. Washington St., Room 1  
Phoenix, AZ 85007

Docket No. W-01303A-08-0227 and SW-01303A-08-~~2007~~<sup>0227</sup>

Dear Commissioners,

We are residents of Sun City West and are absolutely stunned by the rate increase requested by Arizona American Water to provide services to our home and to the homes of fellow members of our community. During my working career I was involved with a public utility and therefore, have always followed requests for rate increases with a great deal of interest. However, who has heard of a company coming to a Commission and requesting a rate increase IN EXCESS OF 79% !!

In some literature to us dated November 11<sup>th</sup>, 2008 the company indicated the rate increase would allow the management to "pay for the significant improvements made to the water system over the past six years". What kind of management has been running the company for the past six years?? If this request for a rate increase is any indication of their management abilities then they have failed miserably. Why have they not been working towards minor rate increases over the past six years instead of hitting everyone with a request for a 79% increase? If they obtain increased revenue and have more time and resources to dream up more capital projects then what kind of "out of control" rate increase requests can we expect in future years?

We are not naïve enough to think that public utility businesses do not require rate increases from time to time to cover increased operating costs and capital improvements. However, for this company to come before you in these economic times and request a 79% rate increase is a case of crass business boldness. The Sun City West area is primarily composed of residents such as ourselves who are on fixed incomes. Quite frankly, we do not have extra income to pay such enormous increases.

Arizona Corporation Commission  
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In that same literature dated November 11<sup>th</sup>, 2008 the company states:  
“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.”

If we can believe this statement then we can only assume that to meet “existing” water needs, the company’s management has been making capital improvements for the last 6 years without having assurance that any of those improvements made to date would receive funding unless it came via a 79% Commission-approved rate increase.

As for “future” water needs, I have to wonder what kind of thinking is going through the minds of the company’s management? If financial planning is handled for the next 6 years like they have handled the past 6 years then we (as customers) can only assume that a half dozen years from now they will then approach the Commission for another huge rate increase!!

By simply going through the filing of such a ludicrous request for an increase, Arizona American Water has shown complete disregard for us as their customers. They have a monopoly on supplying us with water. Quite frankly, we as individuals feel very vulnerable and exposed when this type of irresponsible action just simply “gets filed” before a Commission such as yours. However, we should have a strong faith that someone is looking out for our individual interests. I am uncertain how many of the fellow members of my community will take a moment to let you know their thoughts. However, I know the topic is on the lips of the majority of the home owners in SCW and they ARE NOT HAPPY.

**As I understand it, one of the prime functions of the Residential Utility Consumer Office (RUCO) is to protect utility customers. However, they apparently recommended “only” a 59% rate increase for residents of Sun City West. Some “protectors”!!!**

Once the rate increase request has been filed, we as individuals feel our voices are muffled by management cries for what they think is a justifiable increase. With RUCO abandoning SCW home owners there is now only one buffer between us and the "out of control" management of Arizona American Water. And, that is you, the Arizona Corporation Commission. It is now up to you to protect individuals such as us and DRAMATICALLY (and we mean DRAMATICALLY) slash their requested rate increase back to a more reasonable range of 10% to 15%. No matter how well they have used their accounting and legal resources to make an increase of over 79% seem reasonable, they must be made to recognize the financial times this entire country is experiencing right now. Every public utility and corporation in America would love to have a 79% revenue increase right now. However, for all of those companies it is not going to happen. That is, unless Commissions such as yours "fold under the pressure" and approves an outrageous rate increase that goes beyond the above noted range.

Yours truly,

Handwritten signatures of Al Patterson and Kirsten Norstad. The signature of Al Patterson is on the left, and the signature of Kirsten Norstad is on the right, written in cursive.

Al Patterson & Kirsten Norstad (spouse)  
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Sun City West, AZ 85375

c.c. Committee for Reasonable Water Rate Increase  
Sun City West, AZ