

W-01303A-08-0227
SW-01303A-08-0227



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ORIGINAL

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Richard Martinez

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2009 - 77528

Date: 3/16/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: First: Cliff Last: Cowles

Account Name: Cliff Cowles Home: [REDACTED]

Street: [REDACTED] Work:

City: Sun City West CBR:

State: AZ Zip: [REDACTED] is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: [REDACTED] Contact Phone: [REDACTED]

Nature of Complaint:

(W-01303A-08-0227-Sun City West Water District))

From: [REDACTED]
Sent: Friday, March 13, 2009 11:22 AM
To: Utilities Div - Mailbox
Cc: [REDACTED]
Subject: Docket # W-01303A-08-0227

3/12/09

To : Arizona Corporation Commission
1200 W. Washington St
Phoenix, AZ 85007
Attn: Mr. Ernest Johnson
Director, Utilities Division

From: Clifford Cowles, President
[REDACTED]
Sun City West, AZ [REDACTED]

Subject: Docket # W-01303A-08-0227
Arizona-American Water Co. Rate Increase Request

Gentlemen / Ladies :

Arizona Corporation Commission
DOCKETED
MAY - 6 2009

DOCKETED BY [Signature]

RECEIVED
2009 MAY - 6 A 9:50
AZ CORP COMMISSION
DOCKET CONTROL

ARIZONA CORPORATION COMMISSION

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We would like this testimony read and included in the formal minutes of the hearing on 3/17/09 concerning subject case.

My / our interest in this case is three-fold. I live in Sun City West. .
I am a customer of Arizona-American Water, I am President of the N.W. Valley Taxpayers Assn. encompassing the cities of Glendale, Peoria, Surprise and the 3 Sun Cities .

A rate increase is like a tax increase to families in Sun City West, most of whom are on fixed incomes. An enormous increase, such as is being requested by Az-Am, 79.53% , affects our families dramatically as well as being totally illogical . PORA and others, may address the issue from a numbers standpoint and other technical issues and, what we have found to be the "refund" issue.

We would like to take another approach which we think is just as valid and due your close attention.

Az-American is owned by American Water, is owned by RWE, a Germany based utility. RWE purchased Az-Amer. in 2003 and almost immediately discovered the mistake and began to divest itself soon thereafter. We believe the strategy to divest bears heavily on the strategy of this rate increase .

We believe that RWE is requiring American Water to produce higher profitability immediately in order to help their divesting process. American Water has 32 utility properties nationwide. Their emphasis, nationwide, has been to obtain high rate increases to make their bottom line more attractive. Nothing wrong with the business concept but a lot wrong from a residential water user basis, unfortunately at the mercy of a monopoly.

We asked Az-Amer to provide us with statistics on rate increases, either in process, or when last granted, from the 32 A-W units nationwide and, the size of those increases. They were able to provide some of the data. There is much more to be obtained if the Commission wishes to explore this hypothesis further, and we hope it will.

Kentucky A-W is requesting a 31.3% rate increase
New Mexico A-W is requesting a 23.8% increase
West Virginia A-W is requesting a 12.4% increase
Texas A-W is requesting a 33.9% increase
California A-W is requesting a 50.45 increase
In their Monterey District, a 101.7 % increase
In their Sacramento District a 41.9% increase

With just these few examples, we believe that A-W has been directed by RWE to maximize rate increases nationwide for immediate bottom line increases to make completion of their sale process possible. All well and good, you might say, but NOT at the expense of innocent rate payers who rely on RUCO and the ACC to defend them from such illogical increases.

Further, logic dictates that no company suddenly finds itself in need of increasing selling prices for its products by 75%.

Usually consumer demand would dictate rate increase levels.

Sun City West demand has not changed significantly in many years. Nor are we been given the choice to change suppliers because of high, non competitive costs.

Federal cost of living guidelines may dictate otherwise....

sudden disasters may dictate otherwise, but increases for the sake of increases , to satisfy RWE bottom line results should not be factored into ACC deliberations or to attempt to substantiate size of increase.

There is a possibility that the utility is faced with a legitimate financial crisis and if that is determined, and if allowed under law, they should seriously be directed to a Chapter 11 solution by the ACC and rates made static and unchanged until exiting from Chapter II status.

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We hereby request that the Arizona-American Water Co. rate increase being considered NOT be approved and that the ACC consider an increase below the 10% level, if substantiated by fact, not fiction or corporate uncaring bottom line greed.

Cordially,

Cliff Cowles

End of Complaint

Utilities' Response:

na

End of Response

Investigator's Comments and Disposition:

I emailed this OPINION to Guadalupe Ortiz @ ACC Phoenix Office to have this docketed towards Arizona - American Water Company---Docket No. W-01303A-08-0227. FILE CLOSED.

End of Comments

Date Completed: 4/16/2009

Opinion No. 2009 - 77528
