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Sheila Stoeller

From: crhoden [crhoden@caredf.org]
Sent: Tuesday, September 01, 2009 9:33 AM
To: Mayes-WebEmail
Subject: Docket No. W-01445A-08-0440
Attachments: AZ Water Docket No. W-01445A-08-0440 Mayes.pdf

or

Commission members,

Please review the attached letter in reference to Docket No. W-01445A-08-0440 and Arizona Corporation Commission's staff-proposed rate design presently under consideration.

Fell free to call on me with any questions.

Sincerely,

Barry Albrecht
CEO
CAREDF
520-836-6868
ceo@caredf.org

Arizona Corporation Commission
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August 31, 2009

Kristin K. Mayes, Chairman
Arizona Corporation Commission
Commissioners Wing
1200 W. Washington – 2nd Floor
Phoenix, AZ 85007

RE: Docket No. W-01445A-08-0440
Application of Arizona Water Company for a Determination of the Fair Value of its
Utility Plant and Property, and for Adjustments to its Rates and Charges for Utility
Service and for Certain related Approvals Based Thereon

Dear Chairman Mayes:

The Central Arizona Regional Economic Development Foundation is a nonprofit corporation designed as regional partnership between the public and private sectors. The purpose is to improve and promote the economies of Casa Grande, Coolidge, Eloy, Maricopa and Pinal County through primary job creation.

As a representative of Arizona's business and economic development community, we are writing to express our concern with the Arizona Corporation Commission's staff-proposed rate design (the "Staff Rate Design") presently under consideration in the above-referenced matter.

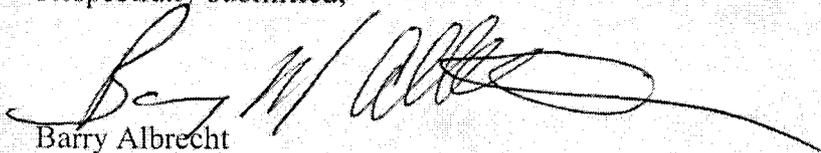
We feel that the Staff Rate Design will unfairly impose a substantial economic burden on present and future commercial and industrial customers, adversely impacting economic growth and development in the region. This significantly increases the already substantial subsidy commercial and industrial customers are currently paying to support other users. Indeed, the Staff Rate Design does not appear to accurately reflect the actual cost of service being provided to each category of user as it continues to place an undue proportion of the costs on the commercial and industrial users.

Moreover, the Staff Rate Design is inconsistent with the Residential Utility Consumer Office ("RUCO") proposed rate design. Given that RUCO is the organization's best suited to represent the interests of residential utility ratepayers, it seems particularly incongruous that the Staff Rate Design would impose such a substantial and unfair rate increase on commercial and industrial users in order to subsidize residential users, when RUCO itself has not proposed such an increase.

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While we understand the need for an overall rate increase, the brunt of that increase should not be unfairly placed on the commercial and industrial users. Substantially increasing the commercial and industrial rates will only act as a disincentive to economic development and growth as businesses continue to struggle in these challenging economic times. Accordingly, we urge the commissioners to reject the Staff Rate Design and instead adopt a rate structure that more fairly allocates the cost of service across each consumer category.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Barry Albrecht", with a long horizontal flourish extending to the right.

Barry Albrecht
CEO/Executive Director
Central Arizona Regional Economic Development Foundation (CAREDF)