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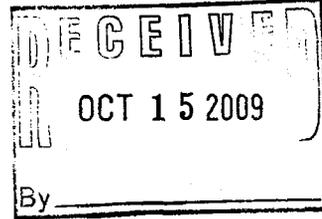
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RECEIVED

Rich Crabb
241 Maya Drive
Litchfield Park, AZ 85340

October 14, 2009

OCT 15 P 1:02



Subject: Liberty Water(formerly LPSCo) Rate Increase

Commissioner Newman:

Please find information attached regarding the proposed Liberty(formerly LPSCo) water/sewage rate increase.

Let me preface the following two pages by stating that I have nothing against Canada, they are a neighbor and an ally, nor anything against Liberty water. I also believe that a modest and reasoned increase in water/sewage rates is justified, but 120 percent causes me to probe further for any other basis to make such an exorbitant request during a decade of relatively low inflation.

The included information is what I have gleaned to reconcile the basis underlying a substantial portion of this sizeable increase to rates.

I thank you in advance for your time devoted to the public interest and consideration of this material in pursuit of a fair outcome for all.

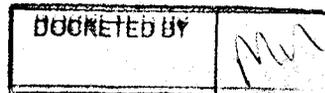
Sincerely,

Rich Crabb, Resident/Utility Customer

Arizona Corporation Commission

DOCKETED

OCT 15 2009



Liberty(formerly LPSCo) Rate Increase - H₂Owww!

Courtesy of Canada(America's largest oil exporter) based
Algonquin Power Income Fund (APIF) and the Toronto Stock Exchange
"Your fair outcome is their fair income"

Rate of inflation the past 10 years has averaged 3%, the past 10 months has been a period of deflation.

Why an indefinite \$12.5 million annual increase(pg. 22 of 2nd qtr. earnings report) to in part recover a \$24 million capital investment in a sewage treatment facility(Liberty presentation at city council meeting) necessary to be in the water treatment/reclamation business and almost assuredly make a profit providing an essential service/product, with publicly protected rates and returns, to an exclusive/captive customer base?

Liberty is a water utility not a sports franchise. Why should the taxpayers in part foot the bill for their wastewater treatment facility – their stool stadium – a coliseum for crap, pantheon of poop and other infrastructure necessary for a privately owned monopoly to generate a publicly protected profit? Where's the risk? Justification?

Thoughts:

Will this be the Republican's Cash for Canadians program?

Can't we just further subsidize your pharmaceuticals instead?

Global socialism? If we're so against it here, why are we so willing to pay for/subsidize it elsewhere?

NAFTA – North American Foreign Tax Assessment

Water is LPSCo's Oil.

Give me Liberty or give me.....

Are you the John Stuart Mill 'Liberty' or the one in which you do as you please with my money?

If you want to double my rates, then I'll take my water on odd days and flush on the even ones.

Accounting slang - Water boarding, aka, "Gitmo cash flow."

Will work for water.

Food, shelter, water, and healthcare.

I'll never crush another ice cube.

#1 oil exporter, are you planning to export our water in 2010 as well?

120% increase, you must be loonie(term for the Canadian dollar)!!!

The 4 reasons for the majority of the rate increase

1. **Over capacity** – The bursting of the housing bubble and resulting decline in home construction, increase in foreclosures, and overall economic downturn has impacted LPSCo's projected growth(pg. 20 of 2nd qtr. earnings report) in customer base and decreased their revenue stream because of the many residential connections that are now vacant or failed to develop.
2. **Recovering(Bailout) losses on investments** - The trust fund lost 30.6 million in the fourth quarter of 2008 on derivatives(March 5th 2009 press release regarding 4th qtr results.)
3. **Profits and inflation up front** – The anticipated and inevitable shrinking value of the dollar against the Canadian dollar and higher interest rates will negatively impact APIF profits(pg. 5, 20 & 33 of 2nd qtr. earnings report.)
4. **Higher taxes** – Changes to Canadian tax law that go into effect in 2011 will increase the tax burden on Canadian investment trusts, which in turn decreases their profits and value to shareholders(pg. 32 & 44 of 2nd qtr. earnings report.)

Will the rest of the world give America a rate decrease on oil to olives when the world's reserve currency is no longer the dollar and oil trades in euros?

Why the substantial decrease(100%+) in capacity in relation to a much lesser and disproportionate increase(15%) in connections/demand?

Algonquinpower.com website 10/5/09

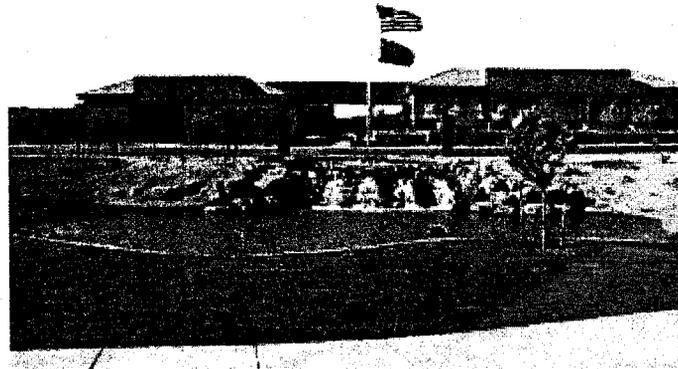
Litchfield Park Service Company

Business Segment:
Infrastructure

Location:
Near Goodyear, Arizona

Services:
Water Distribution and Water Reclamation

Connections:
Distribution - 14,355
Reclamation - 15,302



Litchfield Park Service Company ("LPSCo") is a water distribution and wastewater reclamation utility located in the West Valley of Maricopa County, 15 miles west of Phoenix, Arizona whose service area includes sections of the Cities of Goodyear, Avondale and Litchfield Park, Arizona. According to the 2000 census data, Maricopa County is the fastest growing county in the United States. LPSCo presently serves approximately 15,000 water and 15,000 wastewater customers.

The LPSCo water infrastructure includes a total of eight active wells and a 6.3 million gallon reservoir which provides water to the current customer base through a single pressure zone. LPSCo constructed and commissioned a 4.2 million gallon per day water reclamation facility. This facility operates at 40% capacity and supplies Class "A+" reclaimed water to a number of local golf courses in the area.

[Back to Infrastructure Facilities List](#)

Libertywater.com website 10/5/09

Litchfield Park, Arizona

Welcome to Liberty Water's Litchfield Park customer portal.

We are proud to offer our customers the ability to learn more about Liberty Water (formerly Litchfield Park Service Company) with information on your local water service, water quality reports, rates and news, as well as online bill payment and access to your account.

Liberty Water serves over 16,600 water and close to 18,000 wastewater customers in Maricopa County. This service area includes customers in Avondale, Glendale, Goodyear and Litchfield Park, Arizona.

With 12 local groundwater wells, our Maricopa County facility is capable of producing up to 18.6 million US gallons of clean, safe drinking water per day.

In addition to providing the best quality drinking water to our customers, Liberty Water operates a 4.1 million US gallons per day water reclamation facility. This facility currently functions at 83 per cent capacity and supplies Class "A+" reclaimed water to a number of local golf courses.