

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



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ORIGINAL

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

47
CD

Investigator: Christy Parker

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2009 - 83222

Date: 11/20/2009

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

First:

Last:

Complaint By: PETITION

PETITION

Account Name: PETITION PETITION

Home: (000) 000-0000

Street: N/A

Work: (000) 000-0000

City: Sun City West

CBR:

State: AZ Zip:

is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone:

Nature of Complaint:

*****RECEIVED FROM CHAIRMAN MAYES' OFFICE***** 11 LETTER OPPOSED

November 17, 2009

ARIZONA AMERICAN WATER CO - SUN CITY WEST

DOCKET # SW-01303A-08-0227
W-01303A-08-0227

RECEIVED
2009 NOV 24 A 9:45
AZ CORP COMMISSION
DOCKET CONTROL

Dear Ms. Mayes:

This letter has been prepared to share with you my dissent over the proposed 66.11% increase for the residents of Sun City West. If this increase is implemented, the could result in a monthly expense of \$110.00 versus \$76.00 for each of the 46 units in our Association.

Under the current conditions, this proposal is severe. It could create a hardship for many individuals.

The Commission is requested to review the stated need for an increase. Moreover, water officials should consider moderate alternatives to recover funds stemming from infrastructure improvements and escalating operating costs over the last several years.

Sincerely,
Katherine Hokanson
Robert Hokanson
Lorraine DeCarolis
Richard DeCarolis
Marie K Wunsch
Richard Sponhauer
Myrna Sponjauer

Arizona Corporation Commission

DOCKETED

NOV 24 2009

DOCKETED BY *MM*

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Herman DePaulo
Helen DePaulo
Gerald B Wilson
Jack W Glaser
Robert J Curtis
Carole E VanRaam
Raymond Oleski
Irene E Oleski
John L. Hardesty Jr.
Nancy P. Hardesty
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

11/20/09

DOCKET # SW-0103A-08-0227
W-0103A-08-0227

Sent to Richard Weiss in Phoenix for docketing.
End of Comments

Date Completed: 11/20/2009

Opinion No. 2009 - 83222

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

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Richard Martinez

Phone: (520) 628-6555

Fax: (520) 628-6559

Priority: Respond Within Five Days

Opinion No. 2009 - 83255

Date: 11/23/2009

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

Complaint By: **Richard J. Erwood**

Account Name: Richard J. Erwood

Home: (000) 000-0000

Street: 00000

Work:

City: Surprise

CBR:

State: AZ Zip: 85374

is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone: (623) 815-3107

Nature of Complaint:

(Docket No. W-01303A-08-0227 SW-01303A-08-0227)

Received the following from an article that appeared in his local newspaper in Surprise, AZ:

MISSOURI WATER ISSUE FOLLOW RESIDENTS

"An article in the Jan. 9 issue of the Daily News-Sun by Erin Turner said the Sun City Grand governing board "squawks" at the 47 percent water rate increase proposed by Arizona-American Water Company. The actual increase is 60 percent or 47 cents. I think "challenges" would be better terminology, however, a 60 percent increase of any commodity by a monopoly entities consumers to squawk, challenge, or both.

If the Arizona Corporation Commission does approve this exorbitant increase, someone from the ACC or Sun Cities should have total oversight of the "improvements."

When we lived in O'Fallon, Mo., Missouri-American Water tried this same thing. (It could have even been a form letter.) Somehow the truth came out that the increase would have subsidized a system in St. Joseph, Mo., about 300 miles west of O'Fallon. When this was first made public, I believe this ended the "need" of improvements in O'Fallon. We left Missouri shortly after this to move to Arizona. Little did I know we would get the same thing here.

Richard J. Erwood
Surprise"
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

11/20

I called customer to acknowledge receipt of his correspondence. Customer stated he is against this proposed rate increase.

I told customer that his Opinion would be entered into our database for our records and that his Opinion would be docketed so that the Commissioners would be able to read his concerns. FILE CLOSED.

11/23

I emailed this to Richard Weiss in Phoenix for docketing.

End of Comments

Date Completed: 11/23/2009

Opinion No. 2009 - 83255

W-01303A-08-0227

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Richard Weiss

Phone: (000) 000-0000

Fax: (602) 542-2129

Priority: Respond Within Five Days

Opinion No. 2009 - 83241

Date: 11/23/2009

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

Complaint By: First: Marianne Last: Sikier

Account Name: Marianne Sikier Home: (623) 546-2981

Street: 16028 W Heritage Dr Work: (000) 000-0000

City: Sun City West CBR:

State: AZ Zip: 85375 is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins Contact Phone: (623) 815-3107

Nature of Complaint:

OPPOSED - ARIZONA AMERICAN WATER - SUN CITY WEST
Re: Docket #W-01303A-08-0227

Marianne Sikier
16028 West Heritage Drive
Sun City West, AZ 85375
(623) 546-2981

November 17, 2009

Re: Docket #W-01303A-08-0227

Ladies and Gentlemen of the Commission:

This letter is to protest to the Arizona American Water Company's request for a 69% water rate increase for its Sun City West service area. According to a November 13 Daily News Sun article, the ACC's administrative law judge Teena Wolfe is recommending a 66% increase for Sun City West customers. Still too much, and I hope you will consider why such a steep increase should not be foisted on Sun City West ratepayers. Whatever happened to modest business increases of 4% to 6% coming out of the ACC? I submit to you that if a company thinks it needs that high a rate increase to survive, it must be on the brink of bankruptcy, in that case, it can turn to the government for a stimulus bail out.

I do not think that is the case with Arizona American. Basing its rate increase request on 2007 asa test year, at that time Arizona American had revenues of \$5.7 million dollars and showed a profit of \$600,000. Not content with that amount of profit, they now seek \$4.3 million more in revenues, equating to an 8.4% return; hence the 69% rate increase request. This issue is not a question of necessity. It's a question of greed.

A 66% increase as recommended would present an onerous burden on Sun City West ratepayers, who are

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

mainly retired and on fixed incomes - with no Social Security increases forthcoming this year. To date the water company has never had problems with bill collections in the Sun City West service area, but could start to see delinquencies if such a high water rate increase is enforced. While considered a somewhat affluent community, there are considerable homeowners in Sun City West who are not only hard-pressed to pay their bills, they cannot even pay their association fees. As the old and trite saying goes, you can't squeeze blood out of a turnip.

Some facts you should consider:

Sun City West ratepayers have repeatedly seen rate increases since 2007 for general costs, and in particular to cover operational costs for the water company's effluent treatment facilities. These increases have not been necessary because of Sun City West, which has a stable population, consumes about the same amount of residential water, and processes the same amounts of wastewater each year. The water company seeks these increases to serve its growing service area, outside the Sun City West community.

Sun City West ratepayers have assumed increases to pay for the \$10 million arsenic treatment improvements to Arizona American's two plants within the community.

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In addition, Sun City West ratepayers are assessed \$1.60 each month on our water bills to cover withdrawal of 2372 acre feet of CAP water allocations that the water company owns, but which we do not receive. Paid for by just over 15,000 Sun City West ratepayers, this allocation cost has amounted to over \$300,000 each year for the past ten years, presenting Arizona American with millions of dollars in extra windfall profits. The same charge may be levied in other Arizona American service areas which might be using or leasing CAP water allocations, but Sun City West does not.

The water company tries to justify this cost in the name of conservation, claiming these allocations enter the aquifer and turn off wells. The fact is they release these allocations down the Beardsley Canal into the Maricopa Water District service area which uses it for irrigation, and Arizona American receives \$14 per acre foot in revenues for it. It might turn off wells, but not in Sun City West. They're being turned off outside the Sun City West area, but at the expense of Sun City West ratepayers.

Shouldn't such a stipend already being paid to Arizona American for non-service be taken into consideration when determining a fair rate of return for the company?

Through the above actions, **Sun City West has in the past**, and continues to greatly subsidize the operation of the Arizona American Water Company- far beyond our initial cost to them - and has made a more than generous contribution to Arizona American's coffers.

In today's economy, it's unjust for any company to put such onerous demands on its customer base, in the name of excess profits. Companies should, and do manage to tighten their belts during financial crises, and Arizona American should be no exception.

Asking for an increase in the sixties percentile is outrageous. I hope as a deliberating body you will realize that it would be inequitable to consider dunning Sun City West ratepayers for anything more than a modest increase.

Respectfully,
s/ Marianne Sikler
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

DOCKETED 11/23/09
End of Comments

Date Completed: 11/23/2009

Opinion No. 2009 - 83241
