

ORIGINAL

Katherine Nutt



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SW-01303A-09-0343

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From: Cristina Arzaga-Williams on behalf of Kennedy-Web
Sent: Friday, February 05, 2010 11:34 AM
To: Katherine Nutt
Subject: FW: Az/American Rate Increases in Sun City West

please print and docket

From: Pete Latino [mailto:pdlatino@cox.net]
Sent: Friday, February 05, 2010 11:24 AM
To: Kennedy-Web
Subject: Az/American Rate Increases in Sun City West

Sandra Kennedy, Commissioner
Commissioners of the Arizona Corporate Commission

I believe that the proposed rate increase for AZ/American is not justified for the following reasons:

1. Why such large rate increases when SCW was virtually completely built-out in 1998? We are NOT a growing city that requires a large investment in infrastructure. Our entire infrastructure is already in place.
2. The proposed increase equates to 7.3% Return on Investment for AZ/American! This is an extremely high return in light of the economic situation in the nation today.
3. The quoted increase of 66.1% is misleading, as it is an average. The actual increase rewards users that are wasting the most water and penalizes the users that conserve the most water. This practice also penalizes elderly, single person households which can afford the rate increase the least. This flies in the face of sound conservation practices.
4. The expense charges allowed in this ratemaking process are both excessive & outrageous. Nearly one million dollars will be transferred annually from ratepayers, in our local area, to the parent company American Water Works. There are also inclusions for executives' bonuses' in expense charges to SCW customers. These are totally inappropriate.
5. Before the smoke clears from this increase, Arizona American is planning on hitting us with an average increase of over \$6.00 / month for wastewater processing next year.

Thank you for your consideration.

Pete Latino
17823 N 134th Ave.
Sun City West, AZ 85375

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Arizona Corporation Commission
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