

COMMISSIONERS
KRISTIN K. MAYES - Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP



ARIZONA CORPORATION COMMISSION

ORIGINAL

March 1, 2010

To: Docket Control

RE: Arizona American Water Company - Customer Comments
Docket Nos. W-01303A-09-0343 and SW-01303A-09-0343

Please docket the attached 12 customer comments OPPOSING a rate increase and/or consolidation in above cases.

Customer comments can be reviewed in E-docket under the above docket numbers.

Filed by: Utilities Division – Consumer Services

Arizona Corporation Commission
DOCKETED
MAR - 1 2010

DOCKETED BY *MM*

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2010 MAR - 1 P 4: 37

RECEIVED

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 85362

Date: 3/1/2010

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

Complaint By: **First:** Doug **Last:** Weiss

Account Name: Doug Weiss

Home:

Street:

Work:

City: Phoenix

CBR:

State: AZ **Zip:** 85086

is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone:

Nature of Complaint:

**** W-01303A-09-0343 AND SW-01303A-09-0343 ****

*** ANTHEM WATER DISTRICT ***

*** REFERRED FROM CHAIRMAN MAYES' OFFICE ***

Customer sent the following -

From: Doug Weiss [mailto:]
Sent: Thursday, February 25, 2010 8:23 AM
To: Mayes-WebEmail
Subject: ANTHEM WATER RATE INCREASE

I'm sure you've heard all the arguments for not raising our water rates, so I will not repeat them.

However, I am curious why American Water has not pursued borrowing the money? If they borrowed with a 30-year payback, it would dramatically lessen the water rate increase. Another alternative, although in today's market maybe not as appealing, would be to issue common stock to raise the capital to pay off Pulte.

Doug Weiss
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Responded with the following -

Dear Mr. Weiss,

Thank you for your recent e-mail to the Arizona Corporation Commission. It has been assigned to me for a response. I am a Consumer Analyst in the Utilities Division.

Your comments will be filed in the docket for this case and will be available for all parties to review. The Commissioners and Staff appreciate you taking the time to make your thoughts known in this matter.

Sincerely,

Deborah Reagan
Public Utilities Consumer Analyst
Utilities Division
AZ Corporation Commission
End of Comments

Date Completed: 3/1/2010

Opinion No. 2010 - 85362

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Carolyn Buck

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 85371

Date: 3/1/2010

Complaint Description: 08A Rate Case Items - Opposed
08G Consolidation - Opposed

First:

Last:

Complaint By: James

Sanders

Account Name: James Sanders

Home: (000) 000-0000

Street:

Work: (000) 000-0000

City: Sun City

CBR:

State: AZ Zip: 85351

is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone: (623) 815-3107

Nature of Complaint:

3/1/10*****CORRESPONDENCE RECEIVED FROM CHAIRMAN MAYES' OFFICE*****

REFERENCE: Arizona-American Water W-01303A-09-0343 & SW-01303A-09-0343 (SUN CITY - OPPOSED)

Arizona Corporation Commission
Customer Services Section
1200 W. Washington Street
Phoenix, AZ 85007

Utility Name: Arizona- American Water Company, Inc.
Docket No. W-01303A-09-0343
SW-01303A-09-0343

RE: Rate Consolidation and Increases

As a registered AZ voter

I want to protest the rate increase of the AZ-American Water Company, Inc. on the people of Sun City, AZ. I do not think it fair to consolidate water rates on a regional basis which, no doubt, AZ American will do should their request for an increase be granted. This large increase request is to benefit other water districts not the people of Sun City.

It is not the time to be asking for increases in utilities when people are out of work, on limited incomes and the economy unsettled.

Hopefully, the AZ Corporation Commission will reject the request of the AZ-American Water Company at this time.

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Sincerely,

James Sanders

Sun City, AZ 85088
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

3/1/10 Comments entered for the record and docketed.
End of Comments

Date Completed: 3/1/2010

Opinion No. 2010 - 85371

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Date Completed: 3/1/2010

Opinion No. 2010 - 85368

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carolyn Buck

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 85356

Date: 2/26/2010

Complaint Description: 08A Rate Case Items - Opposed
08G Consolidation - Opposed

Complaint By: First: Shirley Last: Assink

Account Name: Shirley Assink

Home: , ,

Street: N/A

Work: (000) 000-0000

City: Sun City

CBR: N/A

State: AZ Zip: 85351

is: Message

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone: (623) 815-3107

Nature of Complaint:

2/26/10*****CORRESPONDENCE RECEIVED FROM CHAIRMAN MAYES"
OFFICE*****

Arizona American Water Docket No. W-01303A-09-0343 & SW-01303A-09-0343 *****OPPOSED**** SUN CITY

Shirley Assink

Sun City resident

"I am against bundling. One-quarter to one-third of people in Sun City use very little water. Half or more of people in Anthem have 2-5 children per household and consequently use tons more water than we do. It isn't fair that we should have to pay same amounts for water."

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

2/26/10 Comments were called into Chairman Mayes' Office and customer was advised her comments would be docketed.

End of Comments

Date Completed: 2/26/2010

Opinion No. 2010 - 85356

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone: ()

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 85352 Date: 2/26/2010

Complaint Description: 08A Rate Case Items - Opposed
08G Consolidation - Opposed

Complaint By: **First:** Jane **Last:** Hughett

Account Name: Jane Hughett

Home:

Street:

Work:

City: Sun City

CBR:

State: AZ **Zip:** 85351

is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone:

Nature of Complaint:

**** W-01303A-09-0343 AND SW-01303A-09-0343 *****

*** SUN CITY WATER DISTRICT ***

February 13,2010

Arizona Corporation Commission
Consumer Services Section
1200 W. Washington Street
Phoenix, AZ 85007

Regarding: Arizona-American Water Company, Inc.
Docket Numbers: W-01303A-09-0343 and SW-01303A-09-0343
Ref: RATE CONSOLIDATION AND INCREASES

To whom it may concern:

As a resident of Sun City Arizona, I (we) are opposed to the request by Arizona American Water Company for rate increases under the "Rate Consolidation and Increases". In addition, the proposal of 'consolidation/bundling' with 'other' districts is unfair to Sun City as a community and to the home owners.

Sun City is a community of retired individuals many of which are on fixed incomes and can not sustain proposed inflationary increases.

I (we) are asking the Arizona Corporation Commission to consider the negative impact these proposed increases will have on our residences within Sun City.

Respectfully submitted,

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Jane Huahett

Sun City, AZ 85351

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Customer comments entered for the record and filed with Docket Control.

End of Comments

Date Completed: 2/26/2010

Opinion No. 2010 - 85352

W-01303A-09-0343
SW-01303A-09-0343

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone:

Fax: ()

Priority: Respond Within Five Days

Opinion No. 2010 85351 Date: 2/26/2010

Complaint Description: 08A Rate Case Items - Opposed
08G Consolidation - Opposed

Complaint By: **First:** Sue and Robert **Last:** Bren

Account Name: Sue and Robert Bren

Home: ()

Street:

Work:

City: Sun City

CBR:

State: AZ **Zip:** 85351

is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone: ()

Nature of Complaint:

**** W-01303A-09-0343 AND SW-01303A-09-0343 *****

*** SUN CITY WATER DISTRICT ***

GOOD MORNING SUN CITY!!!!!!

IF YOU want to confirm that you are truly living in a winter paradise, just watch the weather report for nearly every state in the union. Even Florida has been having bad days. IN A note of sadness. our neighbor () y has moved to BRIGHTON GARDENS. His new address is

WE DO HAVE A SERIOUS THREAT TO OUR WATER BILL, IF THE ARIZONA-AMERICAN WATER CO. HAS THEIR APPLICATION WITH THE ACC APPROVED. As John pointed out at the annual meeting, the AZAWC has filed an application for a permanent revenue increase for Sun City water and wastewater. Their application requests a 27% increase in water and a 40% increase in wastewater. If the AZAWC is successful in this request, we in Fairway Court East will pay a substantial increase in our monthly assessment fee. The increase request does not propose any benefit for Sun City. The request for this Large increase is to benefit OTHER water districts. IN OTHER WORDS, WE WILL HAVE TO HELP PAY FOR WATER AND WATER TREATMENT IN DISTRICTS, OTHER THAN OUR OWN. Sun City has some of the best water in the state and requires no treatment. If you want to protest against paying for others water, wastewater, & water treatment, please write to: THE AZ CORPORATION COMMISSION, CONSUMER SERVICES SECTION 1200 W. WASHINGTON ST., PHOENIX AZ 85007.

Provide the following information: -
YOUR ADDRESS, Your PHONE NUMBER, Your E-mail address
UTILITY NAME: Arizona-American Water Company, Inc.
Docket numbers: W-01303A-09-0343 and SW-01303A-09-0343
RE: Rate Consolidation & Increases

You may contact each of the commissioners on the AZ Corp. Commission, as follows:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Chair person- Kristen Mayes kmayes@azcc.gov mayes-web@.azcc.gov
Gary Pierce gpierce@azcc.gov pierce-web@azcc.gov
Sandra Kennedy skennedy@azcc.gov kennedy-web@azcc.gov
Paul Newman pnnewman@azcc.gov newman-web@azcc.gov
Robert Stump rstump@azcc.gov stump-web@azcc.gov

CONTACT The Residential Utility Consumer Office, (RUCO) who has filed an application to intervene on your behalf, by e-mailing cfraulob@azruco.gov or by mail to:
1110 W. Washington St. Suite 220,, Phoenix AZ 85007. Or you may call 602-364-4835.

REMEMBER TO USE THE DOCKET NUMBERS WHEN CONTACTING ANY OF THESE PEOPLE OR OFFICES. Again Docket #-W-1303A-09-0343 and #SW-O1303A-09-0343, in regard to water rate increases to Sun city caused by consolidating and bundling geographic districts. Let them know that you strongly object. A little time or postage stamp invested now may save us much more later.

As always "Nothing ventured,, Nothing gained".

As the writer and publisher of this news letter, you can see our alarm and concern for our city. We Strongly object to the above proposal.

Sue Bren and Robert Bren
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Customer comments entered for the record and filed with Docket Control.
End of Comments

Date Completed: 2/26/2010

Opinion No. 2010 - 85351

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Date Completed: 3/1/2010

Opinion No. 2010 - 85394

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

3/1/10 Comments entered for the record and docketed.
End of Comments

Date Completed: 3/1/2010

Opinion No. 2010 - 85390

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carolyn Buck

Phone: 602-542-4217

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 85384

Date: 3/1/2010

Complaint Description: 08A Rate Case Items - Opposed
08G Consolidation - Opposed

Complaint By: First: Tim Last: Kaul

Account Name: Tim Kaul

Home: (000) 000-0000

Street: N/A

Work: (000) 000-0000

City: Phoenix

CBR:

State: AZ Zip: 85086

is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone: (623) 815-3107

Nature of Complaint:

3/1/10*****RECEIVED FROM CHAIRMAN MAYES' OFFICE*****

CONCERNING: Water Rate Increase Arizona American *****OPINION OPPOSED*****ANTHEM*****
Docket No. W-01303A-090343 & SW-01303A-09-0343

Gentlemen,

We want to make it very clear our full opposition to the rate increase proposed by American Water for the Anthem community. As you probably know, our community has had an over 50% decrease in home values with many owners upside town and/or near upside down in loan-to-value on their homes. With income down, taxes increasing and the unreasonable request by American Water, nothing but financial disaster lies ahead. We will take all measures possible to prevent this action.

Tim Kaul
Anthem Resident
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

3/1/10 Comments entered for the record and docketed.
End of Comments

Date Completed: 3/1/2010

Opinion No. 2010 - 85384

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carolyn Buck

Phone: 602-542-4217

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 85382

Date: 3/1/2010

Complaint Description: 08A Rate Case Items - Opposed
08G Consolidation - Opposed

First:

Last:

Complaint By: **Raymond & Barbara Christensen**

Account Name: Raymond & Barbara Christensen

Home: ()

Street:

Work: (000) 000-0000

City: Sun City

CBR:

State: AZ Zip: 85351

is: E-Mail

Utility Company: **Arizona - American Water Company**

Division: Water

Contact Name: Karl Wilkins

Contact Phone: (623) 815-3107

Nature of Complaint:

3/1/10*****CORRESPONDENCE RECEIVED FROM CHAIRMAN MAYES' OFFICE*****

CONCERNING: Water Rate Increase ***** OPINION OPPOSED*****SUN CITY

Docket Nos. W-01303A-09-0343 and SW-01303A-09-0343

My wife and I are on a fixed income. We have good water here in Sun City and do not believe that we should pay for upgrades to other areas. Please do not add another burden to our life style.

Sincerely,

Raymond Christensen & Barbara Christensen

Sun City, AZ 85351

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

3/1/10 Comments entered for the record and docketed.

End of Comments

Date Completed: 3/1/2010

Opinion No. 2010 - 85382

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carolyn Buck

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 85381

Date: 3/1/2010

Complaint Description: 08A Rate Case Items - Opposed
08G Consolidation - Opposed

First:

Last:

Complaint By: Patricia P

Cook

Account Name: Patricia P Cook

Home: (000) 000-0000

Street: N/A

Work: (000) 000-0000

City: Phoenix

CBR:

State: AZ Zip: 85086

is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone: (623) 815-3107

Nature of Complaint:

3/1/10*****CORRESPONDENCE RECEIVED FROM CHAIRMAN MAYES'
OFFICE*****

CONCERNING: Water Rate Consolidation *****SUN CITY, *****ANTHEM*****OPPOSED
Docket No. W-01303A-09-0343 & SW-01303A-09-0343

Ms Mayes,

As a Sun City home owner, taxpayer and voter, I disagree with the proposed consolidation of water rates.

It would appear that you would take from the poor and give to the wealthy.

Thank you for your fair consideration of this important matter

Patricia P Cook
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

3/1/10 Comments entered for the record and docketed.
End of Comments

Date Completed: 3/1/2010

Opinion No. 2010 - 85381

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

W-01303A-09-0343
SW-01303A-09-0343

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 85366

Date: 3/1/2010

Complaint Description: 08A Rate Case Items - Opposed
08G Consolidation - Opposed

First:

Last:

Complaint By: Coy Lynn

Vick

Account Name: Coy Lynn Vick

Home:

Street:

Work:

City: Phoenix

CBR:

State: AZ Zip: 85086

is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone: (

Nature of Complaint:

**** W-01303A-09-0343 AND SW-01303A-09-0343 ****

*** ANTHEM WATER DISTRICT ***

*** REFERRED FROM CHAIRMAN MAYES' OFFICE ***

Customer sent the following -

From: lynnbrendavick [mailto:
Sent: Wednesday, February 24, 2010 2:29 PM
To: Utilities Div - Mailbox
Cc: Kennedy, Sandra; Mayes-WebEmail; Newman, Paul; Pierce-Web; Stump, Bob
Subject: Anthem Water Rate Case

Ladies and Gentlemen,

I committed to buy a house in the country club in Anthem, AZ on the last day of the previous millennium (December 31, 1999). Pulte (Del Webb) built the house, and the closing (settlement) date was July 26, 2000.

I have tried to stay informed about what is going on regarding the Anthem water rates, including attending the previous water rate case at the Arizona Corporation Commission. I would like to provide you with my understanding in general terms about what has happened.

(1) Del Webb built a new water plant to provide water to the Anthem community which they were building.

(2) Del Webb sold the water plant to a water utility company.

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

(3) There was a (secret) agreement between Del Webb and the water utility company specifying that "upon substantial build out" the water utility company would begin making "balloon" payments to Del Webb. Apparently the reason for this method of financing was for Del Webb to recover all of their costs for the water plant "upon substantial build out" of the Anthem community. This is not the normal way to finance a water utility company, and both Del Webb and the water utility company had to know that the financing was completely out of the ordinary. Most water utility companies are financed with long term debt and repaid over the life of the plant and equipment, normally 40 to 50 years.

(4) Del Webb was purchased by Pulte.

(5) The initial water utility company was acquired by Arizona American.

(6) The (secret) agreement between Del Webb and the initial water utility company is still an agreement between Pulte and Arizona American.

(7) I am calling this a (secret) agreement because the purchasers of houses in Anthem never became aware of it until Arizona American started asking the Arizona Corporation Commission for hugely outrageous increases in the water rates. I know that I inquired about the water rates before deciding to buy a house in Anthem. I was told that they were comparable to the water rates for Phoenix. There was never any mention of "balloon payments" causing potentially huge water rate increases at any time in the future.

(8) It is my understanding that there is normally a "hook-up" charge for the water utility company to connect to the plumbing at each house. It is also my understanding that Del Webb (Pulte) never remitted any "hook-up" charges to the water utility company for many of the houses, especially during the first few years of construction. This again was a (secret) agreement between Del Webb (Pulte) and the water utility company which was never disclosed to the house buyers in Anthem until Arizona American began asking the Arizona Corporation Commission for hugely outrageous water rate increases.

(9) There have been numerous foreclosures and short sales in Anthem which has substantially reduced the value of all other houses in Anthem.

(10) There are still many people who are "underwater" (owe more for their house than the current market value) but have not decided upon foreclosure or short sale, yet. The exorbitant rate increase being requested by Arizona American may cause an undue financial burden on those people and force them into a foreclosure or short sale.

(11) The exorbitant rate increases being requested by Arizona American will make it more difficult to sell houses in most of Anthem. There is already a very easy comparison for potential buyers because the Anthem houses on the west side of I-17 are serviced by Phoenix at a much lower rate than the Anthem houses on the east side of I-17 which are serviced by Arizona American.

(12) There needs to be a reasonable long term solution to this problem.

(13) I don't think that the proposal for "consolidation" would necessarily solve the unusual financing arrangement resulting in "balloon payments" between Arizona American and Pulte.

(13) It seems to me that Arizona American could still issue long-term debt and/or equity to finance the payment of the "balloon payments" to Pulte. That debt would be repaid over the remaining life of the water plant and equipment. This usual method of financing water plants and equipment would eliminate the need for the exorbitant rate increases being requested by Arizona American.

I sincerely hope that you will give this careful consideration and develop a reasonable long term solution which would preclude the need for these substantial rate increases being requested by Arizona American.

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Sincerely,

Coy Lynn Vick

Anthem, AZ 85086

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Responded with the following -

Dear Mr. Vick,

Thank you for your recent e-mail to the Arizona Corporation Commission. It has been assigned to me for a response. I am a Consumer Analyst in the Utilities Division.

Your comments will be filed in the docket for this case and will be available for all parties to review. The Commissioners and Staff appreciate you taking the time to make your thoughts known in this matter.

Sincerely,

Deborah Reagan
Public Utilities Consumer Analyst
Utilities Division
AZ Corporation Commission
End of Comments

Date Completed: 3/1/2010

Opinion No. 2010 - 85366

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carolyn Buck

Phone: 602-542-4217

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 85370

Date: 3/1/2010

Complaint Description: 08A Rate Case Items - Opposed
8G Consolidation - Opposed

First:

Last:

Complaint By: Bonnie

Lind

Account Name: Bonnie Lind

Home:

Street:

Work: (000) 000-0000

City: Sun City

CBR:

State: AZ Zip: 85351

is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone: (623) 815-3107

Nature of Complaint:

3/1/10*****CORRESPONDENCE RECEIVED BY CHAIRMAN MAYES' OFFICE*****

REFERENCE: OPPOSED - RATE INCREASE AND CONSOLIDATION SUN CITY
Docket No. W-01303A-09-0343 & SW-01303A-09-0343

I am opposed to these Docket Nos. W-01303A-09-0343 and SW-01303A-09-0343 Please consider defeating this plan
thank you
Bonnie Lind

Sun City, AZ 85351

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

3/1/10 Comments entered for the record and docketed in Docket Control.

End of Comments

Date Completed: 3/1/2010

Opinion No. 2010 - 85370
