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April 9, 2010

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Kristen Mayes, Chair  
Arizona Corporate Commission  
Consumer Services Section  
1200 W. Washington St.  
Phoenix, AZ., 85007

Ms. Mayes:

Arizona American Water (AAW) seeks to raise our water rates by 27.5%, and waste-water disposal by 40.8%, a measure calculated to aid in the amortization of their debt. Consolidating those rates with other Districts would result in an increase of 76.78% for the former and 168% of the latter.

That case is being brought before your Arizona Corporate Commission (ACC), rather than the Arizona Legislature. Why? The Commission is tasked with a responsibility to monitor the execution of policy created by the Legislature; policy should not be established by five (5) individuals, but by a elected representatives.

AAW's debt has not been created by building infrastructure or expanded services for the Sun Cities, but rather through its efforts to bring water to other Districts in the State, notably Aqua Fria, Anthem, Mohave, Havasu and Paradise Valley. That is a viable business decision, but those costs should be borne by those Districts.

Redistributing costs, by raising the rates for all, is a technique called "bundling", too often touted as "fairness" in our increasingly socialist-leaning nation. Once established, such policies become a moral hazard not easily overcome. Our nation was founded on the principle of self-reliance, not dependency.

Sincerely,

Rudy Gehm  
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Arizona Corporation Commission

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