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BEFORE THE ARIZONA CORPORATION COMMISSION

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- KRISTIN K. MAYES
CHAIRMAN
- GARY PIERCE
COMMISSIONER
- SANDRA KENNEDY
COMMISSIONER
- PAUL NEWMAN
COMMISSIONER
- BOB STUMP
COMMISSIONER

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS AGUA FRIA WATER DISTRICT, ANTHEM WATER DISTRICT, HAVASU WATER DISTRICT, MOHAVE WATER DISTRICT, PARADISE VALLEY WATER DISTRICT, SUN CITY WEST WATER DISTRICT AND TUBAC WATER DISTRICT.

Docket No. W-01303A-08-0227

Arizona Corporation Commission
DOCKETED

APR 13 2010

DOCKETED BY *MM*

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS AGUA FRIA WASTEWATER DISTRICT, ANTHEM WASTEWATER DISTRICT AND MOHAVE WASTEWATER DISTRICT.

Docket No. SW-01303A-08-0227

**NOTICE OF FILING
CONSUMER LETTERS**

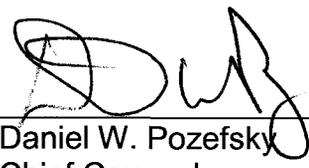
RECEIVED

2010 APR 13 A 11:45
AZ CORP COMMISSION
DOCKET CONTROL

1 The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing
2 copies of letters it received from its constituents in this docket. In total, RUCO received 15
3 letters. RUCO is also providing notice of filing Director Jodi Jerich's response to these
4 letters.

5 Notice is being provided in order to advise all interested parties that these letters
6 have been filed with the Arizona Corporation Commission Docket Control Division in the
7 event any party wishes to review them.

8 RESPECTFULLY SUBMITTED this 13th day of April, 2010.

9
10 
11 Daniel W. Pozefsky
12 Chief Counsel

13 AN ORIGINAL AND FIFTEEN COPIES
14 of the foregoing filed this 13th day
15 of April, 2010 with:

16 Docket Control
17 Arizona Corporation Commission
18 1200 West Washington
19 Phoenix, Arizona 85007

20 COPIES of the foregoing hand delivered/
21 mailed this 13th day of April, 2010 to:

22 Teena Wolfe
23 Administrative Law Judge
24 Hearing Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Ernest Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Janice Alward, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

1 Craig A. Marks, Esq.
Craig A. Marks, PLC
2 10645 N. Tatum Blvd.
Suite 200-676
3 Phoenix, Arizona 85028
4
5 Thomas M. Broderick
Director, Rates & Regulation
Arizona-American Water Company
6 19820 N. 77th Street, Suite 200
Phoenix, AZ 85024
7
8
9
10
11 George E. Cocks and Patricia A. Cocks
1934 East Shasta Lake Drive
12 Ft. Mohave, Arizona 86426-6712
**DOES NOT WISH TO RECEIVE COPIES
OF FILINGS MADE BY ANY PARTY IN
THIS DOCKET**
13
14
15 Michael W. Patten
Timothy J. Sabo
Roshka DeWulf & Patten, PLC
16 One Arizona Center
400 E. Van Buren Street, Suite 800
17 Phoenix, Arizona 85004
18 Andrew Miller, Esq.
Town Attorney
19 Town of Paradise Valley
6401 E. Lincoln Drive
20 Paradise Valley, AZ 85253
21 Paul E. Gilbert
Franklyn D. Jeans
22 Beaus Gilbert PLLC
4800 N. Scottsdale Road, Suite 6000
23 Scottsdale, Arizona 85251
24

Nicholas Wright
1942 Desert Greens Drive
Fort Mohave, AZ 86426

Marshall Magruder
P. O. Box 1267
Tubac, Arizona 85646-1267

Jeff Crockett, Esq.
Robert Metli, Esq.
Snell & Wilmer L.L.P.
One Arizona Center
400 East Van Buren Street
Phoenix, Arizona 85004-2202

Raymond Goldy
1948 E. Desert Greens Drive
Fort Mohave, AZ 86426-8883
**DOES NOT WISH TO RECEIVE COPIES
OF FILINGS MADE BY ANY PARTY IN
THIS DOCKET**

Lance Ryerson
1956 E. Desert Greens Drive
Fort Mohave, AZ 86426-8883

Patricia Elliott
1980 E. Desert Greens Drive
Fort Mohave, AZ 86426-8883

Boyd Taylor
1965 E. Desert Greens Drive
Fort Mohave, AZ 86426-8884
**DOES NOT WISH TO RECEIVE COPIES
OF FILINGS MADE BY ANY PARTY IN
THIS DOCKET**

Keith Doner
1964 Sunset Drive
Fort Mohave, AZ 86426-6733

Hallie McGraw
1976 Sunset Drive
Fort Mohave, AZ 86426-6733

Rebecca M. Szimhardt
1930 E. Desert Greens Drive
Fort Mohave, AZ 86426

1 **DOES NOT WISH TO RECEIVE COPIES**
2 **OF FILINGS MADE BY ANY PARTY IN**
3 **THIS DOCKET**

3

4

5 Wilma E. Miller
6 1915 E. Desert Greens Drive
7 Fort Mohave, AZ 86426-8802

8 **DOES NOT WISH TO RECEIVE COPIES**
9 **OF FILINGS MADE BY ANY PARTY IN**
10 **THIS DOCKET**

8

9 Joe M. Souza
10 1915 E. Desert Greens Drive
11 Fort Mohave, AZ 86426-8802

12 **DOES NOT WISH TO RECEIVE COPIES**
13 **OF FILINGS MADE BY ANY PARTY IN**
14 **THIS DOCKET**

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13

14 Steven D. Colburn
15 1932 E. Desert Greens Drive
16 Fort Mohave, AZ 86426-6724

15

16 Shanni Ramsay
17 1952 E. Desert Greens Drive
18 Fort Mohave, AZ 86426-6724

19 **DOES NOT WISH TO RECEIVE COPIES**
20 **OF FILINGS MADE BY ANY PARTY IN**
21 **THIS DOCKET**

19

20 Dennis Behmer
21 1966 E. Desert Greens Drive
22 Fort Mohave, AZ 86426-6724

21

22 Ann Robinett
23 1984 E. Desert Greens Drive
24 Fort Mohave, AZ 86426-6724

23

24 Betty Newland
2000 Crystal Drive
Fort Mohave, AZ 86426-8816

DOES NOT WISH TO RECEIVE COPIES
OF FILINGS MADE BY ANY PARTY IN
THIS DOCKET

Don Grubbs and Liz Grubbs
5894 Mt. View Road
Fort Mohave, AZ 86426-8862
DOES NOT WISH TO RECEIVE COPIES
Mike Kleman
5931 S. Desert Lakes Drive
Fort Mohave, AZ 86426-9105

Jacquelyn Valentino
5924 S. Desert Lakes Drive
Fort Mohave, AZ 86426-9105

Louis Wilson
1960 Fairway Drive
Fort Mohave, AZ 86426-8873
DOES NOT WISH TO RECEIVE COPIES
OF FILINGS MADE BY ANY PARTY IN
THIS DOCKET

Ikuko Whiteford
1834 Fairway Bend
Fort Mohave, AZ 86426-6726

Tom Sockwell
Mohave County Board of Supervisors
1130 Hancock Road
Bullhead City, AZ 86442-5903
DOES NOT WISH TO RECEIVE COPIES
OF FILINGS MADE BY ANY PARTY IN
THIS DOCKET

Andy Panasuk
1929 E. Desert Greens Lane
Ft. Mohave, AZ 86426-6725

Thomas J. Ambrose
7326 E. Montebello Ave.
Scottsdale, AZ 85250-6045

Kristin Mayes, Chairman
Arizona Corporation Commission

Giancarlo Estrada
Advisor to Chairman Mayes

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Commissioner Gary Pierce
Arizona Corporation Commission

John Le Sueur
Advisor to Commissioner Pierce

Commissioner Paul Newman
Arizona Corporation Commission

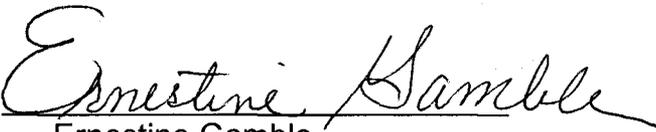
Alan Stephens
Advisor to Commissioner Newman

Commissioner Sandra D. Kennedy
Arizona Corporation Commission

Christina Arzaga-Williams
Advisor to Commissioner Kennedy

Commissioner Bob Stump
Arizona Corporation Commission

Meghaen Duger
Advisor to Commissioner Stump

By 
Ernestine Gamble
Secretary to Daniel Pozefsky

Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

Re. Case # 71410

Dear Administrative Services Officer

I am a member of Scottsdale Citizens for Sustainable Water (SWAT). Our group consists of homeowners associations and others living in Scottsdale who are customers of Arizona American Water Company. Our group represents over 1,400 homeowners and approximately twice that many consumers.

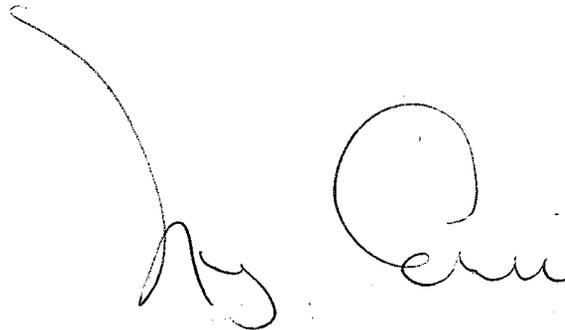
I want to express to you and your fellow Commissioners my strong opposition to your recent approval of the Arizona American Water Company's (AAW) rate increase request for the Paradise Valley Water District. Your decision violates every stated and implied goal and objective that the Commission has expressed over the last several years regarding the need to conserve our critical water supply.

A few Scottsdale residents appeared and testified before the Commission on this rate increase request; their recommendations seem to have carried little or no consideration or weight by the Commission or RUCO. In fact, they were apparently ignored.

It is interesting when you consider that 80% of Scottsdale AAW customers consume less than 25 KGM (1000's gallons / month) while 84% of Paradise Valley AAW customers consume over 25 KGM! Users of 10 KGM pay 51% more since your approval while 80 KGM users pay only 15% more than previously. Is this fair? Is this within the boundaries established by the Commission to encourage conservation? I think not! In fact, this approved increase is in contravention of the Commission's **stated** policy.

All governmental agencies make mistakes periodically. Almost all, however, rectify these mistakes. We ask you to reopen this case and rectify the patently unfair increase burden on the lightest users vs. the high consumption users.

Thank you:



Ms. Nancy Eisner
7308 E. Solano
Scottsdale, AZ 85250

Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

Re. Case # 71410

Dear Administrative Services Officer

I am a member of Scottsdale Citizens for Sustainable Water (SWAT). Our group consists of homeowners associations and others living in Scottsdale who are customers of Arizona American Water Company. Our group represents over 1,400 homeowners and approximately twice that many consumers.

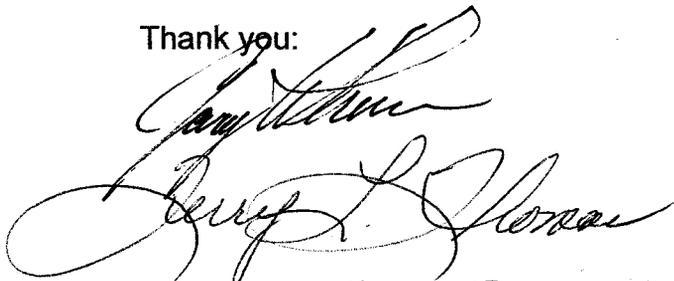
I want to express to you and your fellow Commissioners my strong opposition to your recent approval of the Arizona American Water Company's (AAW) rate increase request for the Paradise Valley Water District. Your decision violates every stated and implied goal and objective that the Commission has expressed over the last several years regarding the need to conserve our critical water supply.

A few Scottsdale residents appeared and testified before the Commission on this rate increase request; their recommendations seem to have carried little or no consideration or weight by the Commission or RUCO. In fact, they were apparently ignored.

It is interesting when you consider that 80% of Scottsdale AAW customers consume less than 25 KGM (1000's gallons / month) while 84% of Paradise Valley AWW customers consume over 25 KGM! Users of 10 KGM pay 51% more since your approval while 80 KGM users pay only 15% more than previously. Is this fair? Is this within the boundaries established by the Commission to encourage conservation? I think not! In fact, this approved increase is in contravention of the Commission's **stated** policy.

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Thank you:



GARY & TERRY THOMAS

Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

Re. Case # 71410

Dear Administrative Services Officer

I am a member of Scottsdale Citizens for Sustainable Water (SWAT). Our group consists of homeowners associations and others living in Scottsdale who are customers of Arizona American Water Company. Our group represents over 1,400 homeowners and approximately twice that many consumers.

I want to express to you and your fellow Commissioners my strong opposition to your recent approval of the Arizona American Water Company's (AAW) rate increase request for the Paradise Valley Water District. Your decision violates every stated and implied goal and objective that the Commission has expressed over the last several years regarding the need to conserve our critical water supply.

A few Scottsdale residents appeared and testified before the Commission on this rate increase request; their recommendations seem to have carried little or no consideration or weight by the Commission or RUCO. In fact, they were apparently ignored.

It is interesting when you consider that 80% of Scottsdale AAW customers consume less than 25 KGM (1000's gallons / month) while 84% of Paradise Valley AAW customers consume over 25 KGM! Users of 10 KGM pay 51% more since your approval while 80 KGM users pay only 15% more than previously. Is this fair? Is this within the boundaries established by the Commission to encourage conservation? I think not! In fact, this approved increase is in contravention of the Commission's **stated** policy.

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Thank you:



Ms. Evelyn Phillips
7238 E. Solano
Scottsdale, AZ 85250

Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

Re. Case # 71410

Dear Administrative Services Officer

I am a member of Scottsdale Citizens for Sustainable Water (SWAT). Our group consists of homeowners associations and others living in Scottsdale who are customers of Arizona American Water Company. Our group represents over 1,400 homeowners and approximately twice that many consumers.

I want to express to you and your fellow Commissioners my strong opposition to your recent approval of the Arizona American Water Company's (AAW) rate increase request for the Paradise Valley Water District. Your decision violates every stated and implied goal and objective that the Commission has expressed over the last several years regarding the need to conserve our critical water supply.

A few Scottsdale residents appeared and testified before the Commission on this rate increase request; their recommendations seem to have carried little or no consideration or weight by the Commission or RUCO. In fact, they were apparently ignored.

It is interesting when you consider that 80% of Scottsdale AAW customers consume less than 25 KGM (1000's gallons / month) while 84% of Paradise Valley AAW customers consume over 25 KGM! Users of 10 KGM pay 51% more since your approval while 80 KGM users pay only 15% more than previously. Is this fair? Is this within the boundaries established by the Commission to encourage conservation? I think not! In fact, this approved increase is in contravention of the Commission's **stated** policy.

All governmental agencies make mistakes periodically. Almost all, however, rectify these mistakes. We ask you to reopen this case and rectify the patently unfair increase burden on the lightest users vs. the high consumption users.

Thank you:

A handwritten signature in cursive script, appearing to read "Dan Wolf Shindberg". The signature is written in black ink and is positioned below the "Thank you:" text.

Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

Re. Case # 71410

Dear Administrative Services Officer

I am a member of Scottsdale Citizens for Sustainable Water (SWAT). Our group consists of homeowners associations and others living in Scottsdale who are customers of Arizona American Water Company. Our group represents over 1,400 homeowners and approximately twice that many consumers.

I want to express to you and your fellow Commissioners my strong opposition to your recent approval of the Arizona American Water Company's (AAW) rate increase request for the Paradise Valley Water District. Your decision violates every stated and implied goal and objective that the Commission has expressed over the last several years regarding the need to conserve our critical water supply.

A few Scottsdale residents appeared and testified before the Commission on this rate increase request; their recommendations seem to have carried little or no consideration or weight by the Commission or RUCO. In fact, they were apparently ignored.

It is interesting when you consider that 80% of Scottsdale AAW customers consume less than 25 KGM (1000's gallons / month) while 84% of Paradise Valley AAW customers consume over 25 KGM! Users of 10 KGM pay 51% more since your approval while 80 KGM users pay only 15% more than previously. Is this fair? Is this within the boundaries established by the Commission to encourage conservation? I think not! In fact, this approved increase is in contravention of the Commission's **stated** policy.

All governmental agencies make mistakes periodically. Almost all, however, rectify these mistakes. We ask you to reopen this case and rectify the patently unfair increase burden on the lightest users vs. the high consumption users.

Thank you:

A handwritten signature in black ink, appearing to read "Liana Y. Crow". The signature is written in a cursive style with a long, sweeping underline.

Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

Re. Case # 71410

Dear Administrative Services Officer

I am a member of Scottsdale Citizens for Sustainable Water (SWAT). Our group consists of homeowners associations and others living in Scottsdale who are customers of Arizona American Water Company. Our group represents over 1,400 homeowners and approximately twice that many consumers.

I want to express to you and your fellow Commissioners my strong opposition to your recent approval of the Arizona American Water Company's (AAW) rate increase request for the Paradise Valley Water District. Your decision violates every stated and implied goal and objective that the Commission has expressed over the last several years regarding the need to conserve our critical water supply.

A few Scottsdale residents appeared and testified before the Commission on this rate increase request; their recommendations seem to have carried little or no consideration or weight by the Commission or RUCO. In fact, they were apparently ignored.

It is interesting when you consider that 80% of Scottsdale AAW customers consume less than 25 KGM (1000's gallons / month) while 84% of Paradise Valley AAW customers consume over 25 KGM! Users of 10 KGM pay 51% more since your approval while 80 KGM users pay only 15% more than previously. Is this fair? Is this within the boundaries established by the Commission to encourage conservation? I think not! In fact, this approved increase is in contravention of the Commission's **stated** policy.

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Thank you:

*Mickey Smith
(Mary V. Smith)*

Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

Re. Case # 71410

Dear Administrative Services Officer

I am a member of Scottsdale Citizens for Sustainable Water (SWAT). Our group consists of homeowners associations and others living in Scottsdale who are customers of Arizona American Water Company. Our group represents over 1,400 homeowners and approximately twice that many consumers.

I want to express to you and your fellow Commissioners my strong opposition to your recent approval of the Arizona American Water Company's (AAW) rate increase request for the Paradise Valley Water District. Your decision violates every stated and implied goal and objective that the Commission has expressed over the last several years regarding the need to conserve our critical water supply.

A few Scottsdale residents appeared and testified before the Commission on this rate increase request; their recommendations seem to have carried little or no consideration or weight by the Commission or RUCO. In fact, they were apparently ignored.

It is interesting when you consider that 80% of Scottsdale AAW customers consume less than 25 KGM (1000's gallons / month) while 84% of Paradise Valley AAW customers consume over 25 KGM! Users of 10 KGM pay 51% more since your approval while 80 KGM users pay only 15% more than previously. Is this fair? Is this within the boundaries established by the Commission to encourage conservation? I think not! In fact, this approved increase is in contravention of the Commission's **stated** policy.

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Thank you:



7220 E. MONTEBELLO AVE

Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

Re. Case # 71410

Dear Administrative Services Officer

I am a member of Scottsdale Citizens for Sustainable Water (SWAT). Our group consists of homeowners associations and others living in Scottsdale who are customers of Arizona American Water Company. Our group represents over 1,400 homeowners and approximately twice that many consumers.

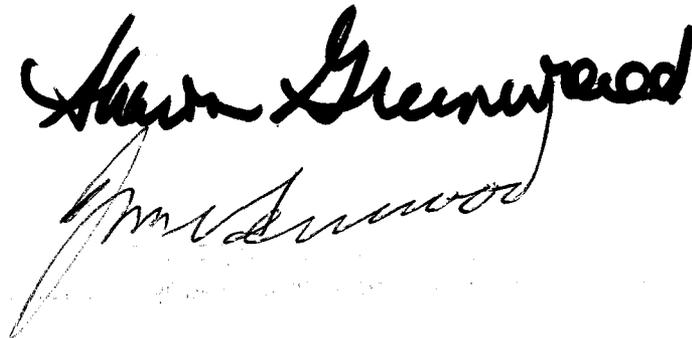
I want to express to you and your fellow Commissioners my strong opposition to your recent approval of the Arizona American Water Company's (AAW) rate increase request for the Paradise Valley Water District. Your decision violates every stated and implied goal and objective that the Commission has expressed over the last several years regarding the need to conserve our critical water supply.

A few Scottsdale residents appeared and testified before the Commission on this rate increase request; their recommendations seem to have carried little or no consideration or weight by the Commission or RUCO. In fact, they were apparently ignored.

It is interesting when you consider that 80% of Scottsdale AAW customers consume less than 25 KGM (1000's gallons / month) while 84% of Paradise Valley AAW customers consume over 25 KGM! Users of 10 KGM pay 51% more since your approval while 80 KGM users pay only 15% more than previously. Is this fair? Is this within the boundaries established by the Commission to encourage conservation? I think not! In fact, this approved increase is in contravention of the Commission's **stated** policy.

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Thank you:



Steve Greenwald

Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

Re. Case # 71410

Dear Administrative Services Officer

I am a member of Scottsdale Citizens for Sustainable Water (SWAT). Our group consists of homeowners associations and others living in Scottsdale who are customers of Arizona American Water Company. Our group represents over 1,400 homeowners and approximately twice that many consumers.

I want to express to you and your fellow Commissioners my strong opposition to your recent approval of the Arizona American Water Company's (AAW) rate increase request for the Paradise Valley Water District. Your decision violates every stated and implied goal and objective that the Commission has expressed over the last several years regarding the need to conserve our critical water supply.

A few Scottsdale residents appeared and testified before the Commission on this rate increase request; their recommendations seem to have carried little or no consideration or weight by the Commission or RUCO. In fact, they were apparently ignored.

It is interesting when you consider that 80% of Scottsdale AAW customers consume less than 25 KGM (1000's gallons / month) while 84% of Paradise Valley AAW customers consume over 25 KGM! Users of 10 KGM pay 51% more since your approval while 80 KGM users pay only 15% more than previously. Is this fair? Is this within the boundaries established by the Commission to encourage conservation? I think not! In fact, this approved increase is in contravention of the Commission's **stated** policy.

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Thank you:



Mr Vincent Konen
5711 N 73rd St
Scottsdale, AZ 85250-6007

Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

Re. Case # 71410

Dear Administrative Services Officer

I am a member of Scottsdale Citizens for Sustainable Water (SWAT). Our group consists of homeowners associations and others living in Scottsdale who are customers of Arizona American Water Company. Our group represents over 1,400 homeowners and approximately twice that many consumers.

I want to express to you and your fellow Commissioners my strong opposition to your recent approval of the Arizona American Water Company's (AAW) rate increase request for the Paradise Valley Water District. Your decision violates every stated and implied goal and objective that the Commission has expressed over the last several years regarding the need to conserve our critical water supply.

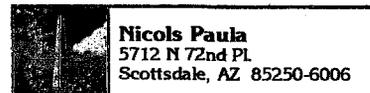
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Thank you:

P. E. Neola



Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

Re. Case # 71410

Dear Administrative Services Officer

I am a member of Scottsdale Citizens for Sustainable Water (SWAT). Our group consists of homeowners associations and others living in Scottsdale who are customers of Arizona American Water Company. Our group represents over 1,400 homeowners and approximately twice that many consumers.

I want to express to you and your fellow Commissioners my strong opposition to your recent approval of the Arizona American Water Company's (AAW) rate increase request for the Paradise Valley Water District. Your decision violates every stated and implied goal and objective that the Commission has expressed over the last several years regarding the need to conserve our critical water supply.

A few Scottsdale residents appeared and testified before the Commission on this rate increase request; their recommendations seem to have carried little or no consideration or weight by the Commission or RUCO. In fact, they were apparently ignored.

It is interesting when you consider that 80% of Scottsdale AAW customers consume less than 25 KGM (1000's gallons / month) while 84% of Paradise Valley AAW customers consume over 25 KGM! Users of 10 KGM pay 51% more since your approval while 80 KGM users pay only 15% more than previously. Is this fair? Is this within the boundaries established by the Commission to encourage conservation? I think not! In fact, this approved increase is in contravention of the Commission's **stated** policy.

All governmental agencies make mistakes periodically. Almost all, however, rectify these mistakes. We ask you to reopen this case and rectify the patently unfair increase burden on the lightest users vs. the high consumption users.

Thank you:

Allen J. Greene
5718 N. 73RD St.
Scottsdale, AZ
85250

Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

Re. Case # 71410

Dear Administrative Services Officer

I am a member of Scottsdale Citizens for Sustainable Water (SWAT). Our group consists of homeowners associations and others living in Scottsdale who are customers of Arizona American Water Company. Our group represents over 1,400 homeowners and approximately twice that many consumers.

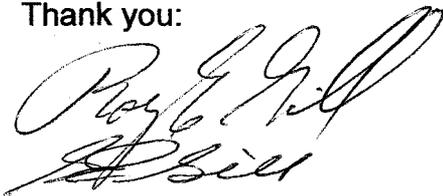
I want to express to you and your fellow Commissioners my strong opposition to your recent approval of the Arizona American Water Company's (AAW) rate increase request for the Paradise Valley Water District. Your decision violates every stated and implied goal and objective that the Commission has expressed over the last several years regarding the need to conserve our critical water supply.

A few Scottsdale residents appeared and testified before the Commission on this rate increase request; their recommendations seem to have carried little or no consideration or weight by the Commission or RUCO. In fact, they were apparently ignored.

It is interesting when you consider that 80% of Scottsdale AAW customers consume less than 25 KGM (1000's gallons / month) while 84% of Paradise Valley AAW customers consume over 25 KGM! Users of 10 KGM pay 51% more since your approval while 80 KGM users pay only 15% more than previously. Is this fair? Is this within the boundaries established by the Commission to encourage conservation? I think not! In fact, this approved increase is in contravention of the Commission's **stated** policy.

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Thank you:



Roy G. Hill
Bill

Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

Re. Case # 71410

Dear Administrative Services Officer

I am a member of Scottsdale Citizens for Sustainable Water (SWAT). Our group consists of homeowners associations and others living in Scottsdale who are customers of Arizona American Water Company. Our group represents over 1,400 homeowners and approximately twice that many consumers.

I want to express to you and your fellow Commissioners my strong opposition to your recent approval of the Arizona American Water Company's (AAW) rate increase request for the Paradise Valley Water District. Your decision violates every stated and implied goal and objective that the Commission has expressed over the last several years regarding the need to conserve our critical water supply.

A few Scottsdale residents appeared and testified before the Commission on this rate increase request; their recommendations seem to have carried little or no consideration or weight by the Commission or RUCO. In fact, they were apparently ignored.

It is interesting when you consider that 80% of Scottsdale AAW customers consume less than 25 KGM (1000's gallons / month) while 84% of Paradise Valley AAW customers consume over 25 KGM! Users of 10 KGM pay 51% more since your approval while 80 KGM users pay only 15% more than previously. Is this fair? Is this within the boundaries established by the Commission to encourage conservation? I think not! In fact, this approved increase is in contravention of the Commission's **stated** policy.

All governmental agencies make mistakes periodically. Almost all, however, rectify these mistakes. We ask you to reopen this case and rectify the patently unfair increase burden on the lightest users vs. the high consumption users.

Thank you:

Margaret Davis. Roy Pratt.

Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

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Thank you:



MR. JOSEPH MCCLUSKEY
5712 N. 72nd Pl.
Scottsdale, AZ 85250

Ms. Cheryl Fraulob
Administrative Services Officer
Residential Utility Consumer Office
1110 W. Washington, Suite 220
Phoenix, AZ 85007-2996

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Thank you:



C Mrs. P. Colburn 5711 N 72nd Pl. Scottsdale, AZ 85250
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RESIDENTIAL UTILITY CONSUMER OFFICE

1110 West Washington • Suite 220 • PHOENIX, ARIZONA 85007 • (602) 364-4835 • FAX: (602) 364-4846 • www.azruco.gov

Janice K. Brewer
Governor

Jodi A. Jerich
Director

April 12, 2010

Joseph McCluskey
5712 N. 72nd Place
Scottsdale, Arizona 85250

Re: 2008 Arizona-American Water Company Rate Case – Paradise Valley District; Docket No. W-01303A-08-0227; Decision No. 71410

Dear Mr. McCluskey:

Thank you very much for writing to the Arizona Residential Utility Consumer Office (RUCO). As a member of the Scottsdale Citizens for Sustainable Water (SWAT), you express your concern that the recent Commission Decision to increase rates in Arizona-American's Paradise Valley water district gave low usage residential customers a larger percentage rate increase than the rate increase for high usage residential customers. Your letter states, ***"Users of 10 KGM pay 51% more since your approval while 80 KGM users pay only 15% more than previously."***

I reviewed the Commission's Decision and compared the old rates with the new rates. My calculations, however, do not lead me to the same conclusion.

The Commission tries to design rates that encourage water conservation. The more water a customer uses, the more the customer will pay. To do this, the Commission creates water usage "tiers". A customer will pay a lower rate per 1,000 gallons for the first small amount he or she uses. Then, the more water the customer uses, the more expensive the water becomes. In addition to this tiered "commodity" rate, the Commission allows the Company to charge a fixed, flat "monthly minimum" charge that is above what is collected for the water consumption in the commodity rate. This monthly minimum is calculated to cover many of the fixed costs of the utility.

Prior to the rate increase, the Paradise Valley water district rate design had a monthly minimum charge of \$24.34 for the typical 5/8" x 3/4" residential meter and a commodity rate divided into three tiers:¹

1 st Tier	0 – 25,000 gallons	\$1.2134 per 1,000 gallons
2 nd Tier	25,001 – 80,000 gallons	\$2.1034 per 1,000 gallons
3 rd Tier	80,0001+	\$2.6334 per 1,000 gallons

A customer using 10,000 gallons in a month would pay a total of \$36.47 under the old rates.

A customer using 80,000 gallons in a month would pay a total of \$170.36 under the old rates.

The current rate design approved by the Commission in Decision No. 71410 increased the monthly minimum rate to \$25.15 and created a commodity rate divided into five tiers:²

1 st Tier	0 – 5,000 gallons	\$1.0500 per 1,000 gallons
2 nd Tier	5,001 – 15,000 gallons	\$1.2500 per 1,000 gallons
3 rd Tier	15,001 – 40,000 gallons	\$2.2000 per 1,000 gallons
4 th Tier	40,001 – 80,000 gallons	\$2.7500 per 1,000 gallons
5 th Tier	80,001+ gallons	\$3.2259 per 1,000 gallons

A customer using 10,000 gallons in a month would pay \$36.65 under the new rates. This is less than a 1% increase over the old rates.

A customer using 80,000 gallons in a month would pay \$207.90 under the new rates. This is a 22% increase over the old rates.

In reading the Commission's Decision, it appears to me that the Commission did listen to SWAT's concerns:

"...public comment demonstrated that not all customer usage in the Paradise Valley Water district is as high as the average or extreme high usage that is so striking in this district, and it is therefore appropriate to provide some rate protection to customers in this district who have much lower than average usage rates for the district. For that reason,

¹ Arizona-American rate case Docket No. SW & W-01303A-08-0227 Direct Testimony of Rodney L. Moore, Schedule RLM-RD2 Page 1 of 1

² Decision No. 71410, Exhibit D, Paradise Valley Water, page 1 of 2.

April 12, 2010
Page 3

we will adopt the Staff alternative five tier rate design proposal. The five tier alternative retains the current high tier breakover point of above 80,000 gallons to which the district's customers are accustomed, but also will also [sic] allow low usage customers to receive the advantage of a first tier breakover point of 5,000 gallons." Decision No. 71410 at page 55.

Therefore, according to RUCO's calculations, using the 10,000 gallon and 80,000 gallon monthly consumption rate in your letter, the high usage residential customer (80,000 gallons) bore a larger percentage of the rate increase imposed on homeowners than the increase borne by low usage customers (10,000 gallons).

I have received several letters on this topic and every one expresses a similar concern as yours. I would be happy to meet with the leaders of the Scottsdale Citizens for Sustainable Water (SWAT) to better understand your frustration.

Sincerely,



Jodi A. Jerich
Director

cc: Docket No. W-01303-08-0227

PARADISE VALLEY WATER

Arizona American Water Company - Paradise Valley Water
Docket No. W-01303A-08-0227

Monthly Minimum	
5/8 x 3/4-inch Meter	\$ 25.15
3/4-inch Meter	\$ 26.16
1-inch Meter	\$ 50.30
1 1/2-inch Meter	\$ 90.54
2-inch Meter	\$ 140.84
3-inch Meter	\$ 276.61
4-inch Meter	\$ 462.71
6-inch Meter	\$ 930.00
8-inch Meter	\$ 2,245.00
10-inch Meter	\$ 3,228.00
12-inch Meter	\$ 6,034.00
Monthly Service Charge for Fire Sprinkler	\$ 10.00

Commodity Rates (Residential, Commercial, Industrial)	Block	Per 1,000 Gallons
5/8 x 3/4-inch Meter Residential	0 - 5,000 Gallons	1.0500
	5,001 - 15,000 Gallons	1.2500
	15,001 - 40,000 Gallons	2.2000
	40,001 - 80,000 Gallons	2.7500
	Over 80,000 Gallons	3.2259
3/4-inch Meter Residential	0 - 5,000 Gallons	1.0500
	5,001 - 15,000 Gallons	1.2500
	15,001 - 40,000 Gallons	2.2000
	40,001 - 80,000 Gallons	2.7500
	Over 80,000 Gallons	3.2259
1-inch Meter Residential	0 - 5,000 Gallons	1.0500
	5,001 - 15,000 Gallons	1.2500
	15,001 - 40,000 Gallons	2.2000
	40,001 - 80,000 Gallons	2.7500
	Over 80,000 Gallons	3.2259
1 1/2-inch Meter Residential	0 - 5,000 Gallons	1.0500
	5,001 - 15,000 Gallons	1.2500
	15,001 - 40,000 Gallons	2.2000
	40,001 - 80,000 Gallons	2.7500
	Over 80,000 Gallons	3.2259
2-inch Meter Residential	0 - 5,000 Gallons	1.0500
	5,001 - 15,000 Gallons	1.2500
	15,001 - 40,000 Gallons	2.2000
	40,001 - 80,000 Gallons	2.7500
	Over 80,000 Gallons	3.2259
5/8-inch Meter Commercial	0 to 400,000 Gallons	1.9500
	Over 400,000 Gallons	2.3000
3/4-inch Meter Commercial	0 to 400,000 Gallons	1.9500
	Over 400,000 Gallons	2.3000
1-inch Meter Commercial	0 to 400,000 Gallons	1.9500
	Over 400,000 Gallons	2.3000
1 1/2-inch Meter Commercial:	0 to 400,000 Gallons	1.9500
	Over 400,000 Gallons	2.3000
2-inch Meter	0 to 400,000 Gallons	1.9500
	Over 400,000 Gallons	2.3000
3-inch Meter	0 to 400,000 Gallons	1.9500
	Over 400,000 Gallons	2.3000
4-inch Meter	0 to 400,000 Gallons	1.9500
	Over 400,000 Gallons	2.3000
6-inch Meter	0 to 400,000 Gallons	1.9500
	Over 400,000 Gallons	2.3000
3-inch Meter Turf Customer	All Gallons	1.6800
4-inch Meter Turf Customer	All Gallons	1.6800
6-inch Meter Paradise Valley Country Club	All Gallons	1.5600
Other Public Authorities - Monthly base charge per above meter size	All Usage	1.9500

PARADISE VALLEY WATER

Page 1 of 2

DECISION NO.

71410

TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION	(A) PRESENT	(B)	(C) COMPANY PROPOSED	(D)	(E) RUCO PROPOSED	(F)
REVENUE ALLOCATION							
1	RESIDENTIAL	\$ 6,138,486	77.75%	\$ 8,672,282	78.74%	\$ 8,263,651	78.74%
2	OTHER	\$ 1,756,288	22.25%	\$ 2,341,517	21.26%	\$ 2,231,188	21.26%
3	TOTAL	\$ 7,894,774	100.00%	\$ 11,013,799	100.00%	\$ 10,494,839	100.00%
ALLOCATION RATIOS							
4	FIX REVENUE	2,016,921	44.63%	\$ 2,720,360	24.70%	\$ 2,592,179	24.70%
5	VARIABLE REVENUE	2,502,680	55.37%	\$ 8,293,438	75.30%	\$ 7,902,659	75.30%
6	TOTAL	4,519,601	100.00%	\$ 11,013,799	100.00%	\$ 10,494,839	100.00%
RESIDENTIAL (5/8" X 3/4") RATE DESIGN							
7	BASIC MONTHLY CHARGE	\$ 24.34		\$ 28.00		\$ 26.68	
COMMODITY CHARGE							
		PRESENT	PROPOSED				
8	First Tier - First 25,000 Gals.	\$ 1.2134	First Tier - First 4,000 Gals.	\$ 1.2863		\$ 1.2276	
9	Second Tier - Next 55,000 Gals.	\$ 2.1034	Second Tier - Next 16,000 Gals.	\$ 2.2332		\$ 2.1280	
10	Third Tier - Over 80,000 Gals.	\$ 2.6334	Third Tier - Next 45,000 Gals.	\$ 2.7960		\$ 2.6843	
11			Fourth Tier - Next 60,000 Gals.	\$ 3.3588		\$ 3.2005	
12			Fifth Tier - Over 125,000 Gals.	\$ 3.8766		\$ 3.6958	
RESIDENTIAL BILL COMPARISONS							
COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL							
		MONTHLY CONSUMPTION	% OF AVERAGE MONTH USAGE OF 20,493 Gal.	PRESENT MONTHLY WATER COST	RUCO PROP'D MONTHLY WATER COST	RUCO PROP'D MONTHLY INCREASE	RUCO PROP'D MONTHLY % INCREASE
13		5,123	25.00%	\$ 30.56	\$ 33.98	\$ 3.42	11.21%
14		10,247	50.00%	\$ 36.77	\$ 44.88	\$ 8.11	22.06%
15		20,493	100.00%	\$ 64.15	\$ 66.95	\$ 2.81	4.37%
16		30,740	150.00%	\$ 65.75	\$ 94.25	\$ 27.50	41.21%
17		40,986	200.00%	\$ 88.30	\$ 121.55	\$ 33.25	37.66%

This letter was sent to the following individuals:

Tom and Mickey Smith
7220 E. Montebello Avenue
Scottsdale, AZ 85250

Lana Low
7214 E. Montebello Avenue
Scottsdale, AZ 85250

Lois Shinberg
7244 E. Solano Drive
Scottsdale, AZ 85250

Ned Saban
5712 N. 73rd Street
Scottsdale, AZ 85250

Gary and Terry Thomas
5717 N. 73rd Street
Scottsdale, AZ 85250

Nancy Eisner
7308 E. Solano Drive
Scottsdale, AZ 85250

Resident
7232 E. Montebello Avenue
Scottsdale, AZ 85250

Joseph McCluskey
5712 N. 72nd Place
Scottsdale, AZ 85250