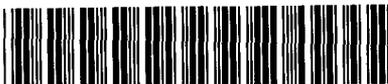


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Katherine Nutt

From: Kennedy-Web
To: Bert Nieman
Subject: RE: Increases in Sun City water rates

RECEIVED

ORIGINAL

2010 MAY -7 P 2: 17

From: Bert Nieman [mailto:████████████████████]
Sent: Wednesday, May 05, 2010 8:54 AM
To: Mayes-WebEmail; Pierce-Web; Kennedy-Web; Thomas Broderick; Tom Cote; Al England; Newman-Web
Subject: Increases in Sun City water rates

ARIZONA CORPORATE COMMISSION
DOCKET CONTROL

----- Original Message -----
Subject: Increases in Sun City water rates

Folks: as some of you already know, the Arizona Corporate Commission is considering a plea from Arizona American Water for precipitate increases in our water rates. I attended the HOA meeting today that is a prelude to a full-scale community meeting on Monday May 17 at the Sundial Auditorium at 6 PM. I laid out the issue in a letter to the Commission members on April 9. It read as follows:

"Arizona American Water (AAW) seeks to raise our water rates by 27.5%, and waste-water disposal by 40.8 %, a measure calculate 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% for the latter.

That case is being brought before the Arizona Corporate Commission (ACC) rather than the Legislature.

Why? The Commission is tasked with a responsiibity to monitor the execution of policy created by the Legislature; policy should not be established by five (5) individuals, but by 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 Aquaa 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."

Please pass on this important information to everyone you can, and urge them to attend on May 17. This measure before a the ACC will be extremely costly for Sun City residents if it is allowed to pass.

Thanks,
Rudy

Arizona Corporation Commission
DOCKETED

MAY - 7 2010

DOCKETED BY *mm*

Ten years ago, my wife and I bought a home in Sun City, which included installed utilities such as electricity, telephone, television, water and sewer. The only things we had to do was pay the bills as they came due and other fees and taxes when levied. Over this period of time there have been a few minor increases in utility fees.

A couple of years ago, our former water/sewer provider sold its interest to Arizona American Water Company and water continued to flow from my faucets. As I recall, sometime thereafter AAWC made a capital investment in some part of the physical infrastructure of the water system and most likely planned to amortize that expense over a fixed period of time. Since then we have had some rather disturbing national news about economic conditions in our country with people losing their jobs, companies being nationalized by our federal government along with industries being totally impacted by socialist activities. Is it possible that the management of AAWC has become frightened by the socialistic activities of our federal government and is seeking financial relief from its customers in order to get a leg up on profitability?

As customers we also are mostly retired folks who no longer are actively employed, as our productive income producing years are behind us and we find ourselves living on fixed incomes. Prior to our settling in Sun City, we all had to do some financial planning pertaining to income, expenses and likely inflationary pressures. Some of us are not in a position to absorb much of any increase in monthly costs without negative ramifications to our standard of living. Some may be forced to abandon living here because of increased costs.

As customers of AAWC we don't share in the dividend structure of AAWC consequently there appears to be no reason for Sun City customers to engage in a scheme that will serve to increase our costs for no good reason other than to provide additional resources to pay off the company investment cost early and allow them to ride out the economic storm we all are facing with substantial surplus in their corporate coffers.

When I was in school we were taught that businesses assume many risks because they are businesses, and customers are not the ones that participate in those risks. If customers don't like the way a business treats them, they go elsewhere. In the case in point we can't go elsewhere to get our water and sewage needs provided. That's what government is there for. Consequently, we need our governmental representatives to stand up for our interests and not some socialistic scheme of grouping water districts together in order to average out the costs of all of a businesses customers.

The fact is that every person that bought a house in a given water district knew or should have known what those costs were when considering the purchase. Therefore, every water district needs to remain separate and individually distinct because there is no way of generating a relevant fairness by combining multiple districts together. The idea of bundling our water districts and their attendant rates with other AAWC customer rates is an irrelevant scheme which borders upon fraud. When bundling occurs, all of the individual idiosyncratic faulty characteristics become common to all which invites disaster to all districts. All of the individual water district problems that are potentially expensive to handle become the problem of all of the other districts that are problem free.

As Sarah Palin so aptly pronounced, "When you put lipstick on a pig it's still a pig!" This Socialist/Communist concept has failed in the USSR and all over the world since its introduction in 1848 by Karl Marx. This AAWC proposal needs to be dispatched post haste!

Sincerely, Bert Nieman

The Monday May 17th meeting at the Sundial Auditorium is very important for us to attend. See you there!