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



ARIZONA CORPORATION COMMISSION

August 3, 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 11 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
AUG 3 2010

DOCKETED BY

RECEIVED
2010 AUG - 3 P 12:45
ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator's Comments and Disposition:

7/28/10 Comments entered for the record and docketed.
End of Comments

Date Completed: 8/2/2010

Opinion No. 2010 - 88308

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carolyn Buck

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 88306

Date: 8/2/2010

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

Complaint By: First: Robert G. Last: Nottoli

Account Name: Robert G. Nottoli

Home: (000) 000-0000

Street: N/A

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:

7/28/10*****REFERRED BY CHAIRMAN MAYES' OFFICE***** (Also sent to ALL
Commissioners)*****

Reference: Arizona American Water*****OPPOSED TO RATE CASE AND CONSOLIDATION*****
DOCKET No. W-01303A-09-0343 & SW-01303A-09-0343

>Dear Chairwoman Mayes and Commissioners:

>

>I can't presume to know or understand all that has transpired in the meetings you have conducted regarding the Anthem water rates.

What I do know is that the potential water rates talked about are a "back backing" expense to those of us who reside here in Anthem. Some of the folks here are just getting by now, an increase the size I've heard talked about, may put some out of their homes. Many of us here are retired with no real way to squeeze those extra dollars out of our fixed budget. Had I known of the water situation here in Anthem when I first looked into a home purchase here, I would have never bought here and would have looked to another part of Maricopa County.

We moved here from California where this type of thing wouldn't have happened, a builder has to inform a potential buyer of costs that will have to be born by the homeowner, giving the buyer a chance to think through the situation before the deal is consummated. By the way, my water bill in San Diego for a 1 acre property with golf course type sprinklers running a 1/2 hour a day, 7 days a week, with a pool was \$135.00 month. My monthly water bill here in Anthem with a property a fraction the size of my former home and exercising water conservation is already more than \$120.00

I respectfully request, Ms. Mayes and fellow Commissioners, that you take into consideration the dismal condition of Anthem business Community, and the poor real estate situation here when you make your decision on our water rates. As it stands, the situation we have here has become widespread knowledge which has definitely hurt home sales, dramatic increases will only exacerbate an already bad situation.

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Thank you for your consideration,

Robert G. Nottoli
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

7/28/10 Comments were entered for the record and docketed.
End of Comments

Date Completed: 8/2/2010

Opinion No. 2010 - 88306

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

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 88309

Date: 8/2/2010

Complaint Description: 08G Consolidation - Opposed
08G Consolidation - Opposed

Complaint By: First: John Last: Richmond

Account Name: John Richmond Home:

Street: Work:

City: Sun City CBR:

State: AZ Zip: 85373 is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Contact Phone: 7

Nature of Complaint:

8/2 DOCKET NO. W01303A-09-0343 SW 01303A-09-0343

*****SUN CITY*****OPPOSED RATES AND CONSOLIDATION

Caller states he is opposed to any increase in costs and the consolidation of systems due to the fact that Anthem has large families with income potential whereas Sun City residents are retired with fixed incomes.
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Docketed
End of Comments

Date Completed: 8/2/2010

Opinion No. 2010 - 88309

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone: (602) 542-0622

Fax: (602) 542-2129

Priority: Respond Within Five Days

Opinion No. 2010 88219 Date: 7/28/2010

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

Complaint By: **First:** Bill **Last:** Stillman

Account Name: Bill Stillman **Home:** (000) 000-0000

Street: 2 addresses **Work:**

City: Bullhead City **CBR:** 928-234-3425

State: AZ **Zip:** 86442 **is:** Cellular

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins **Contact Phone:** (623) 815-3107

Nature of Complaint:

7/28 DOCKET NO 09-0343 BULL HEAD CITY

Addresses are 1341 Verano Dr. and 1800 Escalero Circle in Bullhead City 86442

Caller is opposed to increase in rates. It is not fair to increase rates in BHC because the income level is lower and salaries are less than in most parts of the state. They already pay more than average for service. Customer states the company does not respond well to calls for service and also made reference to the lack of public notice for the public comment meeting.

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Advised customer I would docket his opinion.

End of Comments

Date Completed: 7/28/2010

Opinion No. 2010 - 88219

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 88248 Date: 7/29/2010

Complaint Description: 08A Rate Case Items - Opposed
08H Consolidation - In Favor

Complaint By: First: Richard & Kathryn Last: Feola

Account Name: Richard & Kathryn Feola 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 *****

Customer sent the following -

From: Dick Feola [mailto:]
Sent: Wednesday, July 28, 2010 7:44 PM
To: Utilities Div - Mailbox; jjerich@azruco.gov
Subject: Anthem Water Case

To: Arizona Corporation Commission & Residential Utility Consumer Office,

My wife, Kathryn & I are both retired and live in the Anthem Country Club in Anthem, Arizona. We moved to Anthem in May of 2004. We have been concerned about the proposed water rate increase Arizona American Water has requested from the Arizona Corporation Commission.

First of all, we would have never decided on locating in the Anthem Community if Del Webb/Pulte had disclosed to us there would be a huge balloon payment to cover the Water Infrastructure Del Webb/Pulte would be receiving from homeowners through Arizona American Water Rate Increases. We believe we were misled by Del Webb/Pulte when purchasing our home.

Further, since we live in the Anthem Country Club and have a 1" Water Meter installed on our home, we believe we have been over charged over the years from Arizona American Water due to the fact homes with a 1" Water Meter are charged approximately double that of homes with 5/8" and 3/4" Water Meters.

At a meeting held by Tom Broderick, Rates Director at Arizona American Water for the Anthem Community on July 26, 2010. Mr. Broderick presented information regarding Rate Consolidation with other Arizona American

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UTILITY COMPLAINT FORM

Water customers. In this presentation, it was disclosed that those homeowners living in the Anthem Country Club, who have the 1" Water Meters, pay a "Median Usage Bill of \$61.09 per month vs. \$34.20 per month for those customers with 5/8" and 3/4" Water Meters". Also from the same presentation, it was disclosed that the "Median Usage for those homes with a 1" Water Meter was 9,000 gallons per month vs. a Median Usage for those on 5/8" & 3/4" Water Meters was 8,000 gallons per month". Using those figures, those homes with a 1" Water Meter are paying approximately 45% more for water usage while only consuming 11% more water. How can Arizona American Water justify these excessive charges? A gallon of water is a gallon of water and should be priced based on the usage at the same or similar rate.

We are having a difficult time justifying Arizona American Water increasing rates at this time. Especially since they have been over charging those with 1" Water Meters for approximately 10 years. Since Arizona American Water Company seems to be losing money because of poor business practices over the years, it may be time to let their business fail and turn the Anthem Water Requirements over to The City Of Phoenix since that city is already providing water to all customers east of Interstate 17 in the Anthem Community at a much lower water rate than Arizona American Water is currently charging their Anthem Customers.

If the Arizona Corporation Commission decides to grant an increase to Arizona American Water we request the consolidation be divided among all areas supported by Arizona American Water. We are not in favor of applying this consolidation in steps as Arizona American Water has suggested.

If Arizona American Water is allowed to increase our water bills as they have suggested, it may price us retired people in Anthem out of our ability to maintain our current lifestyle in this community.

Thank You,

Richard & Kathryn Feola

Anthem, Arizona 85086-1917

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: 7/29/2010

Opinion No. 2010 - 88248

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 88249 Date: 7/29/2010

Complaint Description: 08A Rate Case Items - Opposed
08H Consolidation - In Favor

First:

Last:

Complaint By: Pamela Ritter Phillips

Account Name: Pamela Ritter Phillips Home: (623) 237-0954

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 *****

Customer sent the following -

From: Pamela Phillips [mailto:r
Sent: Thursday, July 29, 2010 8:44 AM
To: Utilities Div - Mailbox
Cc: jjerich@azruco.gov
Subject: Arizona Water

I have been to the meetings and read about the many options for residential water use. I understand share holders want to make as much money as they can, but water should not be determined by the wants of shareholders. This issue should be determined by and for the product consumers.

Look folks. All of Arizona needs water equally. We can't live without it. There is no reason one person should pay more than another for a gallon of water.

Anthem has a brand new water facility that will need no repairs in the immediate future. Sun City's system, for example, will be in need of major overhaul or replacement in the next few years. All will benefit in the long haul if services and the costs of those services are the same for all.

This is not a new concept. When our children were young, others without children shared the cost of their education. Now it's our turn to help the next generation. That's the way things are done in a civilized society. No free ride just fair and share. Arizonians are fiercely independent. We take care of our own proudly. Don't polarize us.

Sincerely,

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Pamela Ritter Phillips

Anthem, AZ 85086

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: 7/29/2010

Opinion No. 2010 - 88249

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone:

Fax: (,)

Priority: Respond Within Five Days

Opinion No. 2010 88250 Date: 7/29/2010

Complaint Description: 08A Rate Case Items - Opposed
08H Consolidation - In Favor

Complaint By: First: Kevin Last: Kozacek

Account Name: Kevin Kozacek 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 *****

Customer sent the following -

From: Kevin Kozacek [mailto:]
Sent: Wednesday, July 28, 2010 5:10 PM
To: Utilities Div - Mailbox
Subject: Anthem Water Rate Consolidation

Dear Corporate Commissioners,

I have been a resident of Anthem for 8 years, and have seen my water rates skyrocket over that time. I am concerned that we are reaching a tipping point in being able to explain this anomaly to any prospective buyers in the Anthem area. I am truly concerned that we may be creating a ghost town.

Though on the surface rate consolidation may appear very unfair to other communities, if you look at the history of the rates, consolidation will bring the communities back into equilibrium. The issue is simply that water and waste is a service that is provided to a community. Why should there be huge disparities in rates in the first place?

Besides, though rate consolidation may seem unfair to communities such as Sun City, they are in for a real shocker when they need to have their treatment plants upgraded. Rate consolidation will save them in the long run.

Thank you for listening.

ARIZONA CORPORATION COMMISSION

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Kevin Kozacek

Anthem, AZ 85086
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: 7/29/2010

Opinion No. 2010 - 88250

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

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Brad Morton

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 88242 Date: 7/29/2010

Complaint Description: 08E Rate Cases Items - In Favor
08H Consolidation - In Favor

Complaint By: First: John Last: Balzer

Account Name: John Balzer Home: (623) 879-3144

Street: n/a Work:

City: Phoenix CBR:

State: AZ Zip: 85086 is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Contact Phone:

Nature of Complaint:

From: John
Sent: Wednesday, July 28, 2010 3:27 PM
To: Utilities Div - Mailbox
Cc: jjerich@azruco.gov
Subject: Anthem Water Rate Case

Greetings.....

I have been a resident of Anthem since the beginning in Aug of 1999. It is my opinion that the rates should be consolidated as this will be a benefit for all water districts in the long term. The future costs for replacement would be shared by all and the rates would not keep changing in each district as often.

John Balzer

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion docketed
End of Comments

Date Completed: 7/29/2010

Opinion No. 2010 - 88242

ARIZONA CORPORATION COMMISSION

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improvements for them, with and without consolidation;

I actually bought a home for my parents on the west side of Anthem (west of I-17) and the water and sewer is administered by City of Phoenix and is substantially lower than my Arizona American Water. I would even be in favor of consolidation with the City of Phoenix, if that was an option.

In closing, I believe Anthem will become a ghost town, if water rates are allowed to spiral upwards. I moved from NY State where I had my own well to Anthem, where water is quickly becoming the largest utility expense. It is not sustainable.

Thank you,
Robert Williams
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion Docketed
End of Comments

Date Completed: 7/29/2010

Opinion No. 2010 - 87484

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

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Al Amezcua

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 88198 Date: 7/28/2010

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

Complaint By: First: Bob Last: Golembe

Account Name: Bob Golembe Home: (000) 000-0000

Street: n/a Work: (000) 000-0000

City: Anthem CBR:

State: AZ Zip: 00000 is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins Contact Phone:

Nature of Complaint:

7/28/10 ***** W-01303A-09-0343 AND SW-01303A-09-0343 *****

Anthem Water District

From: Bob Golembe

Sent: Tuesday, July 27, 2010 11:21 AM

To: Mayes-WebEmail

Cc: Kennedy-Web; Newman-Web; Pierce-Web; Stump-Web; Utilities Div - Mailbox; Jodi Jerich

Subject: Comment on Anthem Consolidation Meeting: Docket: W-01303A-09-0343

Dear Chairwoman Mayes and Commissioners:

Last night, AAWC's Mr. Thomas Broderick held the Anthem Town Hall Meeting in Anthem on consolidation scenarios and its impact on our water bill. Anthem is "friendly" towards consolidation but it appears he stepped into a "bees nest".

While he may have made reasonable attempts to address the issue, he was evasive to many questions posed by the residents. For example, in response to what percentage of the Pulte refunds is in the case application, he wasn't sure but then stated around "33%". The company briefs and his testimony state a range between 17% to 50%. Baffling?

The one thing his presentation did accomplish was getting the angst of the community. Without consolidation, the company stand alone rates from the charts presented cited the following for the median usage noted:

The current rate for the 3/4-inch meter increases from \$86.32 to \$149.49 (73.2%).

The increase for the 1-inch meter increases from \$113.21 to \$200.92 (77.5%).

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While the company may feel that this is "just and reasonable", need I say more from the ratepayer perspective? I invite anyone of you to Anthem to see the empty storefronts, talk to realtors, see the 300+ foreclosures in or pending and families struggling. There are buyers that walked away from purchasing homes; there are seller realtor's that discourage buyers when told of the pending "water case".

Mr. Broderick stated "in all fairness to us", it is his opinion there is less than "a 50% chance" of consolidation being implemented. You are the final decision maker in this matter. But, please deliberate other tools that are in your "tool box" if Anthem is to prosper and grow even when the economy improves in the distant future.

Bob Golembe
Anthem, AZ
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

7/28/10 Comments noted for the record and docketed. CLOSED.
End of Comments

Date Completed: 7/28/2010

Opinion No. 2010 - 88198

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

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Al Amezcua

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 88213 Date: 7/28/2010

Complaint Description: 08A Rate Case Items - Opposed
08H Consolidation - In Favor

Complaint By: First: Linda Last: Kurth

Account Name: Linda Kurth Home: (000) 000-0000

Street: n/a Work: (000) 000-0000

City: n/a CBR:

State: AZ Zip: 000000 is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins Contact Phone:

Nature of Complaint:

7/28/10 W-01303A-09-0343 & SW-01303A-09-0343

Anthem Water District

-----Original Message-----

From: Linda Kurth [mailto:
Sent: Tuesday, July 27, 2010 3:57 PM
To: Utilities Div - Mailbox
Subject: Docket: W-01303A-09-0343 Anthem Consolidation Meeting

To: Chairwoman Mayes and Corporate Commission members Kennedy, Newman, Pierce, Stump and ACC Mailmaster, Jodie Jerich

Please consider consolidation of the water rates. We are conserving our water usage and live on our savings with no pension to help pay for high increases. We need your help. These are especially hard times and we need your help.

Thank you.

Linda Kurth
Anthem Resident
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

7/28/10 Comments noted for the record and docketed. CLOSED
End of Comments

Date Completed: 7/28/2010

Opinion No. 2010 - 88213
