

August 23, 2010

ORIGINAL



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Attention: Kristen Mayes, Chairwoman
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

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

Re: Arizona American Water Rates

ARIZONA CORPORATION COMMISSION
BUCKET CONTROL

As an Anthem Country Club resident I have been reflecting on the water rate meeting held here in Anthem on July 26, 2010, and felt compelled to write the Commission - something I rarely do.

I have never been to a meeting where so many questions were asked, and so few answered! Actually, at one point the audience began to laugh out loud upon hearing how totally unprepared 'Mr. Broderick' was.

The following represents just some of what 'Mr. Broderick' had to say, or dodged entirely when pressed for 'specifics'.

"I did not bring that material" - "We don't keep those records"- "You don't understand the 'style' of water rates" - "Perhaps I should have shown actual rates in my presentation" - "It has always been done this way". He did, however, admit that "about 1/3rd of the rate goes directly to paying the \$23.3 million we paid to Pulte"! . Whichever way you describe the 23.3 million episode, someone somewhere missed a very big item in the 'due diligence' part of the purchase of Citizens Water ----and Arizona American wants the residents of Anthem to pay for 'someones' mistake!

Any business NOT a monopoly would have to make up the money in any number of ways or just admit a loss and move on. Arizona American has a simple solution - just bill the customers!! 'Mr. Broderick' did suggest that anyone not happy with the current solution "could just drill their own well" - a sarcastic and crass comment from a supposed 'executive' of the company!

We have lived in numerous developments over a 40 year time span and every one has charged for the infrastructure in the lot and building cost, and I cannot believe that Pulte did not do the same. Certainly, we were never given any information to the contrary.

The entire rate structure originally granted Arizona American Water - TWO & ONE HALF TIMES that of other valley users defies logic. Now, rather than attempting to bring Anthem in line with their other users,

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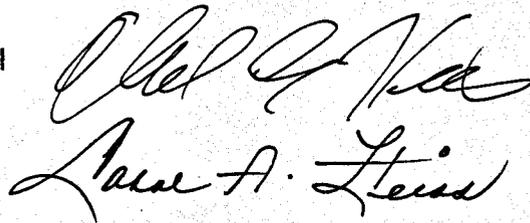
they are requesting yet another increase!!! Water is a necessity - not a luxury - we are being charged as if it were the latter!

Rate consolidation may be the only logical answer - however, the 23 million should NOT be a part of that consolidation. That should be borne by Arizona American Water and its stockholders. Perhaps they could amortize the loss over the next 50 years as was done with the original Sun City and Del Webb.

Anthem as a 'ghost town' will do little to contribute to the state, county or Arizona American Water.

The people here in Anthem need you to decide FOR THE PEOPLE - not for "a corporation without competition", as 'Mr. Broderick so aptly referred to Arizona American Water!!

Charles/Carol Heiss
40412 N. Hawk Ridge Trail
Anthem, Arizona 85086

The image shows two handwritten signatures in cursive. The top signature is "Charles/Carol Heiss" and the bottom signature is "Carol A. Heiss".