

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

**ORIGINAL**



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**ARIZONA CORPORATION COMMISS**

**UTILITY COMPLAINT FORM RECEIVED**

Investigator: Trish Meeter

Phone:

2010 AUG 30 P Fax: 29

Priority: Respond Within Five Days

AZ CORP COMMISSION  
DOCKET CONTROL

Opinion No. 2010 88882 Date: 8/30/2010

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

Complaint By: First: Richard Last: Tigges

Account Name: Richard Tigges Home: (000) 000-0000

Street: Work:

City: Phoenix CBR: n

State: AZ Zip: 85086 is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Contact Phone

Nature of Complaint:

Docket No. W-01303A-09-0343 and SW 01303A 09 0343 ANTHEM

\*\*\*\*\*OPPOSED RATES\*\*\*\*\*OPPOSED  
CONSOLIDATION\*\*\*\*\*ANTHEM\*\*\*\*\*

From: Richard Tigges [mailto:  
Sent: Wednesday, August 25, 2010 4:49 PM  
To: Utilities Div - Mailbox  
Subject: Anthem water rates

Arizona Corporation Commission  
**DOCKETED**

**AUG 30 2010**

Message to Arizona Corporation Commission

DOCKETED BY [Signature]

Subject: Anthem water rates

I went to the meeting held by Arizona American Water at the Anthem Community Center on Monday July 26. This meeting was for Arizona American Water to explain consolidation. That meeting, in my opinion, was a total bust. Basically the gentleman (who introduced himself as the rate controller for Arizona American Water) showed slides with the different consolidation scenarios, and the 5 steps (duration unknown, to be set by the Corporation Commission, according to him). He continually told us that Anthem was getting a great deal. He compared the consolidation rates to the requested 100% increase without consolidation (not comparing to the present rates). He was asked how much the rate increase was due to paying Del Web/Pulte. His answer was "only about 1/3". When then asked what the other two-thirds was for, his answer was "It is just other expenses. We are not required by the commission to record how our money is spent, or what our different expenses are. So we don't know any specifics". He must have thought his audience was totally stupid! What business, that is

# ARIZONA CORPORATION COMMISSION

## UTILITY COMPLAINT FORM

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still in business, doesn't know exactly where money is spent, where it has been wasted, what works and does not work, etc? OR, since they have a captive audience, with rate increases granted by the commission, they can run a totally dysfunctional business and make money? I would assume the commission would require detailed proof that an increase is really justified. Do you?

He spent a lot of time comparing consolidation to the way APS charges their customers. All like-customers pay the same rate. But the consolidation slides show a different rate for each district! How is that charging all customers the same rate?

And he said that Sun City requires Twenty-some million dollars in improvements, and that cost would be shared by all districts under consolidation. But the Anthem infrastructure, which they are still paying for, would not be shared across districts. Excuse me, but how does that work?

He also inferred that each commission member may likely vote to protect their individual district, and not consider consumers as a whole. I hope that is not true, and fear that it is.

Now, if they made a bad investment when purchasing the water district they should have to live with that. I as a customer should not have to pay for their bad judgement in that purchase. If I were to make a bad business decision, I would have to live with it. No one is going to bail me out. If I were to ask my customers to bail me out, they would laugh all the way to my competitor, taking their business with them. The commission should be protecting the consumer from their poor decisions.

Arizona American Water has already gotten a very large increase (about two years ago) that was not favorable to the Corporation Commission's head. One other commissioner has stated that he was agreeable to re-opening that case to verify it was really justified. Will you? Again, the commission should be protecting the consumer.

At the first day of the hearing downtown, an Arizona American spokesperson/lawyer said that the company only wanted to provide a reasonable return on investment for their shareholders. In this economy, we would all like a reasonable return on investment, but most people have lost money, or if lucky, have barely maintained.

Also, at that meeting there were only two commissioners present. Mr. Pierce left saying he would listen to comments later. The other commissioner would set in for a few minutes, leave, come back, etc. None of the other commissioners were present. This did not give me the feeling that the commission is really looking out for the consumer.

It seems like it works like this:

Arizona American Water asks for an astronomical rate increase, knowing that if they get even a small portion of their request they will have done well.

The Corporation Commission grants them something less than requested.

Arizona American Water gets what they really wanted and the Corporation Commission makes themselves look good.

Everyone wins except the consumer.

ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

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Please prove me wrong!

Richard Tiaaes

Anthem, AZ 85086

southwestgg@gmail.com

Richard Tiaaes

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

Docketed

\*End of Comments\*

**Date Completed: 8/30/2010**

**Opinion No. 2010 - 88882**

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