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Arizona Corporation Commission

ARIZONA CORPORATION COMMISSION

March 2003

Arizona Corporation Commission  
Utilities Division  
1200 West Washington  
Phoenix, AZ 85007  
(602) 542-4251

MAY 14 2003



WS-01303A-02-0867  
WS-01303A-02-0868  
WS-01303A-02-0869  
WS-01303A-02-0870  
W-01303A-02-0908

RE: Docket number WS-01303A-02-0870, Arizona-American Water Company Rate Increase

To Whom It May Concern:

We are residents of Anthem, Arizona, and as such, subscribers to the services of Arizona-American Water Company. It has recently come to our attention that you are looking into the pending rate increase which has been requested by Arizona-American Water Company.

We are contacting you today to express our concern over this rate increase. Based on the information we have received, we are concerned that the rate increase requested is not reasonable. Our specific concerns are as follows:

1. A substantial portion of this increase is to offset new "infrastructure" costs. It is not clear what those costs include, and we are concerned that some of the costs do not directly relate to the water and sewer infrastructure of Anthem.
2. Based on comments by AZAWC in the local newspapers, part of the rate increase is to offset past losses due to their use of overly optimistic growth forecasts for Anthem in determining their initial rates. Actual growth rates for Anthem have exceeded initial Del Webb forecasts, and build-out is scheduled much earlier than originally anticipated. These conditions should lead to greater PROFITS for AZAWC, not losses. Therefore, we have serious doubts that the real cause of AZAWC's losses has much to do with the growth forecasts.
3. There were also comments by AZAWC in these newspapers that rates could be REDUCED in the future depending on the actual growth of Anthem. We would certainly like to see a very strong commitment to future rate reduction as a condition of any current rate increase, including more specific conditions clearly spelled out by AZAWC and ACC.
4. Finally, based on comments by AZAWC in the local newspapers, it appears that AZAWC is requesting a relatively high profit margin in this rate increase.

Thank you in advance for protecting our interests and handling this matter to the best of your ability.

Sincerely,

*Sid + Barbara Shearer*  
(Signature)

*Sid + Barbara Shearer*  
(Printed Name and Address)

2842 W Plum Hollow Dr.

Anthem, Arizona 85086

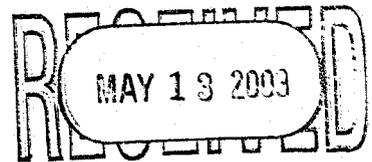
AZ CORP COMMISSION  
DOCUMENT CONTROL

2003 MAY 14 P 1:34

RECEIVED

Janie

ARIZONA CORPORATION  
COMMISSION



Director of Utilities

Arizona Corporation Commission  
Utilities Division  
1200 West Washington  
Phoenix, AZ 85007  
(602) 542-4251

RE: Docket number WS-01303A-02-0870, Arizona-American Water Company Rate Increase

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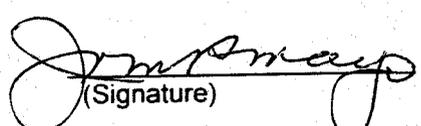
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Sincerely,

  
(Signature)  
May 12, 2003

JOHN P. MAYO  
(Printed Name and Address)  
41424 N. CLEAR CROSSING RD.

Anthem, Arizona 85086

Janie

**Dr. and Mrs. Michael D. Staniec**

42429 N Cross Timbers Court  
Anthem, AZ 85086  
Home Phone 623 551 1097  
Email mstaniec@uswest.net

May 11, 2003

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



Dear Mr. Johnson:

We are residents of Anthem, and we are sending this letter to you to protest the proposed water rate increase for our community. We have lived in the Phoenix area since 1978; first in the Scottsdale area, then to Phoenix, to Glendale, and then back to Phoenix. We moved to Anthem in June of 2000. We have the highest water rates here in Anthem that we have ever experienced.

Our water company, the Arizona American Water Company, wants to raise our rates another 32.45% ABOVE what we are already paying! We find this increase to be inappropriate and unreasonable. We do not care what kind of deal they made with the former water company, Citizens Water Company, to take over the Anthem area. We do feel that it is unjust for them to recoup their investment by charging us ridiculously exorbitant water rates. If they made a bad deal, too bad for them.

We believe our current rates should be rolled back to reflect current rates in the Phoenix Metro area. We hope that you will support our position.

Thank you.

Sincerely,

Michael D. Staniec M.D.

Betty J. Staniec