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ARIZONA CORPORATION

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May 15, 2003

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

2003 MAY 21 A 9:21

AZ CORP COMMISSION
DOCUMENT CONTROL

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

Director of Utilities

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

To Whom It May Concern:

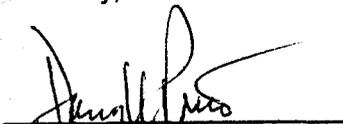
We are residents of Anthem, Arizona, and as such, subscribers to the services of Arizona-American Water Company. It has recently come to our attention that you are looking into the pending rate increase which has been requested by Arizona-American Water Company.

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,


(Signature)

Daryll Pierce

 Crooked Stick Rd.

Anthem, Arizona 85086

Arizona Corporation Commission

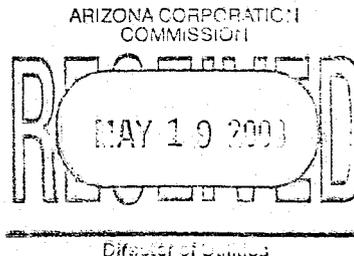
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MAY 21 2003

DOCKETED BY 

May 15, 2003

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

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,



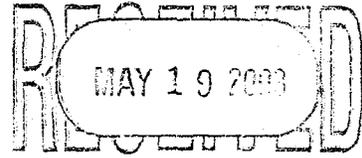
(Signature)

Carol Pierce

██████████ Crooked Stick Rd.

Anthem, Arizona 85086

ARIZONA CORPORATION
COMMISSION



Director of Utilities

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

May 16, 2003

Subject: Arizona American Water Rate Increase
Docket # WS-01303A-02-0870

To Whom It May Concern:

We are writing this letter to ask the Commission not to approve Arizona American Water Company's request for a 32.45% rate increase. This request is ridiculous due to the fact that we in Anthem are already paying the highest rate in the area, roughly 123% higher than the average of the other Arizona American Water Company water and sewer rates for those areas. Why should we at Anthem be forced to pay for any agreements that may have been made between the developer and the existing water company? If the developer could not provide water to the houses it was building how was the developer to sell these homes it has built? Therefore, we again request the Commission to refuse this rate request.

Thank you for your time devoted to this matter.

Ken & Mary Miller
[REDACTED] Sutter Lane
Anthem, AZ 85086-1519

A handwritten signature in cursive script, appearing to read "Ken Miller".