

ORIGINAL



0000118761

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



ARIZONA CORPORATION COMMISSION

October 13, 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 19 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

OCT 13 2010

DOCKETED BY

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2010 OCT 13 A 9:51

RECEIVED

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 90031 Date: 10/8/2010

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

Complaint By: First: Last:
Mike Souris

Account Name: Mike Souris 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 *****

*** REFERRED FROM CHAIRMAN MAYES' OFFICE ***

Customer sent the following -

From: mikesouris@aol.com [mailto:
Sent: Monday, October 04, 2010 2:52 PM
To: Mayes-WebEmail
Subject: An accident with punitive results

Dear Commissioner Mayes,

My name is Mike Souris, and I reside full time in Flagstaff, and have a second home in Anthem. This past Friday, I received my monthly water bill from Arizona American Water. I almost fainted, when I saw that the amount due was \$485.00, especially since no one has been at the house for several months. I contacted a neighbor, who went to our house and discovered a leak in the drip system, then immediately turned off the water.

Today I called Arizona American Water and explained what had transpired. I acknowledged that it was through no fault of theirs, but an untimely accident, and was there anything they could do to adjust the bill. The rate structure is tiered to encourage conservation, along with sewer fees as a percentage. I asked if there was anyway possible they could charge me at the lower level, since this was accidental. I received a prompt "no".

I bring this to your attention, because Arizona American Water is asking for a dramatic increase in their rate structure. What happened to me is terrible, and I am saddled with a humbling fee. This same malfunction could happen to anyone, and if a new rate structure is approved, then some unlucky person may receive a bill two or three times what mine was.

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

You may want to take this unfortunate situation under consideration when you are considering their request.

Respectfully submitted,

Mike Souris
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Customer comments entered for the record and filed with Docket Control.

SEE ALSO HIGH BILL COMPLAINT NO. 89949 FILED WITH ARIZONA AMERICAN.
End of Comments

Date Completed: 10/8/2010

Opinion No. 2010 - 90031

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

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 89989 Date: 10/7/2010

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

Complaint By: First: Last:
David P. Carlson

Account Name: David P. Carlson 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-090-0343 *****

Customer sent the following -

From: David Carlson [mailto:
Sent: Tuesday, October 05, 2010 6:58 PM
To: Mayes-WebEmail; Kennedy-Web; Newman-Web; Pierce-Web; Stump-Web; Utilities Div - Mailbox
Subject: Proposed Water Rate Increase - Arizona American Water

October 5, 2010

Dear Sir or Madam:

The proposed water increase rate that Arizona American Water Company is asking the commission to approve will have a negative impact on the homeowners and business entities in Anthem. Certainly your committee completely understands the negative impact this proposed action will have on this community in the worst economy we have seen in decades. This action will negatively affect the Anthem economy, home values and overall viability of the community for many years.

I have never experienced any utility company, regardless of ownership, that didn't amortize infrastructure costs over 20 or more years. Why would your committee consider the short term business and profit interests of Arizona American Water over the fair treatment of Anthem homeowners? Should we be forced to carry the burden of bad business decisions made by Arizona American Water?

Please do the right thing and protect Anthem from the outrageous price increase that Arizona American Water is proposing to levy.

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Thank you for your attention to this matter.

David P. Carlson

Anthem, AZ 85086

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Comments entered for the record and filed with Docket Control.

End of Comments

Date Completed: 10/7/2010

Opinion No. 2010 - 89989

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone: /

Fax: /

Priority: Respond Within Five Days

Opinion No. 2010 89987 Date: 10/7/2010

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

Complaint By: First: Last:
Karen **MacDonald**

Account Name: Karen MacDonald 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-090-0343 *****

Customer sent the following -

From: Karen [mailto:]
Sent: Wednesday, October 06, 2010 3:20 PM
To: Maves-WebFmail: Kennedy-wed@azcc.gov; Newman-Web; Pierce-Web; Stump-Web; Utilities Div - Mailbox
Cc: !
Subject: AZ American Water Rate Case

Dear Commissioners,

I just wanted you to be aware of what I pay for water in the Anthem Country Club. When I first moved in, my bills were \$66/month. Right now, my last 3 bills totaled \$141, \$143 and \$146 each month for water and I'm not even there. That means there were no toilets flushed, no washing machine nor dishwasher run, no one taking a shower. These bills are strictly for irrigation. I have no lawn, just plants and a few trees. I think the rate increase that AZ American Water is trying to push through is neither fair nor just. Are you going to be fair and just?

Karen MacDonald

Anthem, AZ 85086
End of Complaint

Utilities' Response:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator's Comments and Disposition:

Comments entered for the record and filed with Docket Control.
End of Comments

Date Completed: 10/7/2010

Opinion No. 2010 - 89987

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

after the payoff of this system, our rates will not drop back. This is absurd. What is the date of the payoff, and when will rates drop by the 1/3 portion of the rate increase(s) we keep hearing is supporting the payoff?

2) Myth of the 5/8-inch, 3/4-inch and 1-inch water valves - For all the Country Club homes (as well as some in Parkside homes, by choice), regardless of the size of home (sizes vary greatly between approx. 1,000 to 5,000 square feet), Del Webb/Pulte put in 1-inch valves/meters to support the fire suppression sprinkling systems. We have a 1,742 sq. ft. home. The valve is static and doesn't use any more water than the smaller valves unless it set off by a fire. Currently we are charged approximately \$25/month, and apparently this is also increasing to \$45/month with no payoff of the valve. Even the hated phone company (Ma Bell) gave you the option to continue renting the phone and never owning it, or you could pay it off. Where is our option?

3) We thought the job of the Corporation Commission is about balancing the interest of the company and it's clients. Since there is no competition and the clients are held hostage, the Commission should be about fairness, justice, and doing the ethically right thing.

4) When the previous Commission allowed Del Webb/Pulte to sell Citizens Water to AZ American Water, why wasn't AZ American Water required to take out a 30/40-year bond instead of a balloon payment, when there was a "lien" to be satisfied. No matter how you cut it, this was "LIEN against everyone's property". That Commission supported the "lie" of non-disclosure. This burden never should have been allowed to fall on the customers when the homebuyers purchased in good faith a home with paid-for utilities' infrastructure. Where we came from, Michigan, you can't sell your home until all liens are satisfied. Shame on Arizona. Are we in for other surprises down the road? You will see from attachments when we purchased our home, the method of operation was similar to start all our utility services.

We bought our home in late 1999. We have all of our original paperwork. Attached are the pages referring to our utilities. (NOT ATTACHED TO OPINION FILED WITH DOCKET CONTROL) Water meter was \$16.00 with water consumption \$2.00 per 1,000 gallons, and sewage was base rate \$16.00 per home with another \$2.00 per 1,000 gallons. The proposed rate will take us to \$198.00 plus per month with another increase to come. Where is the "fairness"?

It's now or never for the current Corporation Commission to rectify the travesty of the previous Commission.

The Anthem Community is relying on the current Commission to "right this injustice" and "protect" them from a predatory company's unethical method of handling business.

Thank you for your time. Larry and Debbie Manley

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Comments entered for the record and filed with Docket Control.

End of Comments

Date Completed: 10/7/2010

Opinion No. 2010 - 89988

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone:

Fax: (

Priority: Respond Within Five Days

Opinion No. 2010 89908 Date: 10/5/2010

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

Complaint By: First: Last:
Dr. and Mrs. Leighton Linn

Account Name: Dr. and Mrs. Leighton Linn

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: Leighton Linn [mailto:leighton.linn@americanwater.com]
Sent: Friday, September 24, 2010 1:18 PM
To: Utilities Div - Mailbox
Subject: Anthem Water Rates

To: Arizona Corporation Commissioners,

The water rates that we now pay to the Arizona American Water company are, at this time ridiculously high. My Wife and I live in Missouri in the summer, and have a home at Anthem Country Club, where we reside in the fall, winter and early spring.

American Water Works, (New York, Stock Exchange) is the parent company of both Arizona American Water Company and Missouri American Water Company.

I have attached Our Arizona water bill covering the period from (June 7th to July7th). and our Missouri water bill cover the period from (June 22nd to July 22nd). (NOT ATTACHED TO COPY FILED WITH DOCKET CONTROL)

What strikes one immediately when view 2 different water bills from the same parent company is:

A. Missouri water usage during the above period was 17,250 gallons. Total water bill was \$104.65, or .006 cents /gal.

B, Arizona water usage during the above period was 4 gallons. Total Water bill was \$94.55, or \$23.64 per

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

gallon.

My home in Arizona is worth just half of what I originally paid for it. If you allow Arizona American water to raise their water rates it will be the kiss of death for the Anthem community.

Sincerely

Dr. and Mrs. Leighton Linn
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Comments entered for the record and filed with Docket Control.
End of Comments

Date Completed: 10/5/2010

Opinion No. 2010 - 89908

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone: /

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 89909 Date: 10/5/2010

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

Complaint By: **Ken Alexander**

Account Name: Ken Alexander **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: ken alexander [mailto:.....]
Sent: Thursday, September 23, 2010 5:30 PM
To: Utilities Div - Mailbox
Subject: Water raise

I am recently retired and have just moved to Arizona with my wife in the hope to enjoy our "golden years."

A large increase in our cost of water would prove to be a hardship. The cost of many services will increase in cost due to the increase of the cost for water for individuals and businesses alike. I am a private citizen residing in Anthem Az, subject to monthly water fees and HOA expenses.

Please consider all of these factors before establishing any increase.

Ken Alexander
Sent from my Verizon Wireless BlackBerry
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Comments entered for the record and filed with Docket Control.
End of Comments

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Date Completed: 10/5/2010

Opinion No. 2010 - 89909

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone: (

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 89892 Date: 10/4/2010

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

Complaint By: First: Last:
Robert E. Welch

Account Name: Robert E. Welch

Home: \

Street:

Work: (000) 000-0000

City: Phoenix

CBR:

State: AZ Zip: 85086

is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name:

Contact Phone

Nature of Complaint:

From: Ronnie & Rob Welch [mailto:
Sent: Friday, October 01, 2010 11:57 AM
To: Mayes-WebEmail; Kennedy-Web; Newman-Web; Pierce-Web; Stump-Web; Utilities Div - Mailbox
Cc:
Subject: AZ-American Water Proposed Rate Increase - Unfair Basic Service Charge

I purpose that Arizona American Water unfairly charges now, and also in the pending rate request increase, the way they calculate the water "Basic Service" charge.

The following information is from the Arizona American website:

<http://www.amwater.com/azaw/Customer-Service/Billing-&-Payment-Information/>

Metered Customers

Arizona American Water employees regularly read your water meter to find out how much water has been used during the prior period. The service charge is a minimum regular charge determined by the meter diameter, to which we add a commodity charge based on the cost of water actually used.

For most customers, your water bill is divided into two sections - a flat service charge and a quantity charge.

A. The flat service charge is the fee you pay to connect to the system. It remains the same each month regardless of your water usage.

There is no apparent logical justification for charging different "flat service fees" according to the size of the customer's water meter. The meter itself is a one-time cost to the water company. The cost of "reading" the meter is the same for any size meter. As the cost of the meter itself is recouped within the first two months of service, the only reason that I can see for the water company to keep charging the monthly flat service reading

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

is to recover the cost of reading the meter and for other administrative support services which are the same regardless of the size of the meter the customer has.

If there is no actual cost basis for charging different flat service fees, how can it be legal for the water company to do so, and how can you approve the proposal? The cost of preparing and delivering the water itself is covered in the "quantity charge" or "Water Volume" portion of the bill.

I purpose that Arizona American Water only be allowed to charge one flat fee for all water customers, regardless of the size of their meter, as the size of the water meter has no impact on their ongoing costs.

Thank you for your attention to this vital matter which directly affects my fixed budget.

Rob
Robert E. Welch

Anthem, AZ 85086-3022

*End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion noted and filed in Docket Nos. W-01303A-09-0343 & SW-01303A-09-0343. closed

End of Comments

Date Completed: 10/4/2010

Opinion No. 2010 - 89892

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 89890 Date: 10/4/2010

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

Complaint By: First: Jason Last: Miska

Account Name: Jason Miska 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: Contact Phone:

Nature of Complaint:

From: Jason Miska [mailto:
Sent: Thursday, September 30, 2010 5:39 PM
To: Utilities Div - Mailbox
Subject: W & SW 01303A\09\0343

The significant increase to rates requested by Arizona American Water threatens the property values and economy of Anthem which are suffering as is. In fact, Anthem is now experiencing losses simply because of the mere possibility of an excessive increase. Many potential residential and commercial property buyers and tenants have avoided Anthem, investing elsewhere, because of this threatening rate hike. Inflicting excessively high water rates will only cause further economic damages, completely discouraging any remaining hope of viable investments in Anthem. The increased cost would be detrimental for existing households on fixed, low or moderate incomes. Many residents are now finding themselves in those income classes. Residents would face other adverse affects when existing businesses pass on the increased cost to their customers; as a result, businesses may lose business volume. Residents would face additional costs as community assessments are forced to rise. Many homeowners are already defaulting on their community dues. If the community associations do not receive dues, the aesthetics of the community may suffer as the associations cutback on water use in parks and recreational facilities, such as their exclusive water feature splash park. Such cutbacks in community amenities would further damage property values and turn off potential buyers and tenants. Many households and businesses in Anthem are already struggling. The overall combined effect of a rate increase would push many over the edge, leading to more vacant homes and vacant businesses in a poor real estate market with potential buyers avoiding Anthem altogether. Vacant homes and vacant businesses do not turn water meters. Has the water company considered the potential negative effect such a rate increase would have on their own business? If Anthem suffers, the water company will suffer. Anthem is no longer a thriving community and it may become another Arizona ghost town if water becomes expensive. Jason Miska - Anthem Homeowner

End of Complaint

Utilities' Response:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator's Comments and Disposition:

Opinion noted and filed in Docket Nos. W-01303A-09-0343 & SW-01303A-09-0343. closed
End of Comments

Date Completed: 10/4/2010

Opinion No. 2010 - 89890

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carolyn Buck

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 89868 Date: 10/4/2010

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

Complaint By: First: Nancy Last: Larson

Account Name: Nancy Larson

Home: (000) 000-0000

Street:

Work: (000) 000-0000

City: Anthem

CBR: N/A

State: AZ Zip: 85086

is: Other

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone: (623) 815-3109

Nature of Complaint:

9/29/10 *****REFERRED BY CHAIRMAN MAYES' OFFICE*****

Written Correspondence regarding: Arizona American Water *****ANTHEM RATES OPPOSED*****
Docket No. W-01303A-09-0343 & SW-01303A-09-0343

Dear Commissioners,

When purchasing our retirement home in Anthem we spent a long time studying our budget to make sure we could well afford to live in Anthem. Now I am faced with a situation that because a water company made a terrible judgment in buying a water company they thought would bring them millions - that mistake is now placed on us to pay water bills that could be beyond our means.

Our stores, clubs etc. could make Anthem a ghost town. If American Water could not afford to keep their company going - why can they think they can put such a burden on the homeowners that were never told or put in our contracts that we would be responsible!!! They need to bite the bullet and suck this one up. They are wrong and I'm mad as hell my water could go up so much. - Nancy Larson - 9-25-10

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

10/4/10 Comments were entered for the record and docketed.

End of Comments

Date Completed: 10/4/2010

Opinion No. 2010 - 89868

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone:

Fax:

Priority: Respond Within Five Days

Opinion **No.** 2010 **89858** **Date:** 10/4/2010

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

Complaint By: **First:** **Last:**
Beth **Jasso**

Account Name: Beth Jasso **Home:** (000) 000-0000

Street: y **Work:**

City: Phoenix **CBR:**

State: AZ Zip: 85086 **is:**

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

RATES OPPOSED ANTHEM

10/1

From: Beth Jasso
Sent: Wednesday, September 29, 2010 4:00 PM
To: Mayes-WebEmail; Kennedy-Web; Newman-Web; Pierce-Web; Stump-Web; Utilities Div - Mailbox
Cc: tjanthemaz@yahoo.com
Subject: Proposed Water Rate Increase for Anthem, AZ

Dear Arizona Corporation Commissioners,

We have been an Arizona residents and home owners in the Anthem, AZ Country Club for 8 years. We are writing you out of great concern regarding the proposed 77% water rate increase by the Arizona American Water Company (AAWC). A rate increase of 77% will most definitely be a hardship for us as a family. My husband is a Polio survivor and has been unemployed since April. He is no longer able to obtain or maintain employment due to the progressive physical limitations that come with post polio syndrome. A 77% increase in the water rate will be very difficult for us on top of the other hardships that we are currently facing.

Everyone's budget will take a hit from a rate increase of this magnitude and it will have a rippling affect that will impact not only Anthem but to the local businesses, restaurants, shops, and churches, throughout the entire Phoenix area.

While a small annual cost of living increases are expected from time to time, a water rate increase of 77% is

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

outrageous and is unfair treatment to the Anthem community. A rate increase this high is wrong, should not be approved, and should have never been proposed.

As Commissioners of this great State of Arizona, I am asking that you step in immediately, get engaged, and help the community of Anthem fight against this unfair water rate increase proposed by AAWC and ensure that we receive fair and reasonable water rates.

We voted you into public service and we need your help now.

Sincerely,

Tony and Beth Jasso

Anthem, AZ 85086
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

10/4
docketed
End of Comments

Date Completed: 10/4/2010

Opinion No. 2010 - 89858

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone: ()

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 89860

Date: 10/4/2010

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

Complaint By: **Theron & Bonita Sims**

Account Name: Theron & Bonita Sims

Home: (000) 000-0000

Street: n/a

Work:

City: Phoenix

CBR:

State: AZ Zip: 85079

is: Cellular

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

RATES OPPOSED ANTHEM

10/1

From: Buddy Sims

Sent: Wednesday, September 29, 2010 4:16 PM

To: n

Cc: Utilities Div - Mailbox; Bob Golembe

Subject: Re: Water Rate Increase - Letter from Robert Tack

Robert E. Tack
President,
Anthem Country Club Community Association

Robert,

Excellent letter Robert to Chairwoman Mayes, Commissioners Kennedy, Newman, Pierce, & Stump

However, the impact will be worse than you mentioned for many of us!

At 41506 N. Tangle Ridge Ct, Anthem, ACC, with two pools my Aug 2010 AAWC bill was \$201.00 and Sep 2010 AAWC bill was \$240.00. Your numbers are not correct (\$95 average per home in ACC), we have a two bedroom home and 1600 sq ft. I'll be happy to forward my AAWC water bills for proof.

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

We will be looking at \$424.00 per month if increased by 77% and probably resulting in having to fill in our pools with dirt if we remain in ACC! With the other increases per your letter, etc., it will surely be time to move to another state and community that treats retirees better. We won't be able to afford the increases based on our social security checks, ages, and no chance of getting jobs at our age. As a retired government worker, I won't be applying for a Wal-Mart greeter job to help pay my monthly AAWC water bill.

We will probably just walk away from our house like everyone else does in Phoenix, AZ and let the lender and ACC Board figure it out. The impact of this 77% AAWC increase on retirees in ACC will be a disaster, trust me, they will soon find out and we truly hope these geniuses on the Commissioners Board understand the coming impact. We are just one small example of the AAWC 77% increase on our quality of life in ACC!

v/r,

Theron & Bonita Sims

Cc: Commissioners & Golembe

Copy of letter to Commission from Bob tack included in email
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

docketed
End of Comments

Date Completed: 10/4/2010

Opinion No. 2010 - 89860

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

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 89809 Date: 9/30/2010

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

Complaint By: First: Last:
John & Barbara Newton

Account Name: John & Barbara Newton Home: (000) 000-0000

Street: 42026 N Moss Springs Rd Work:

City: Phoenix CBR:

State: AZ Zip: 85086 is:

Utility Company: **Arizona - American Water Company**

Division: Water

Contact Name: Karl Wilkins Contact Phone: (623) 815-3109

Nature of Complaint:

Docket No. W-01303A-09-0343 SW 01303A-09-0343 Rates OPPOSED ANTHEM

From: jnewt [mailto:jnewt@charter.net]

Sent: Wednesday, September 29, 2010 12:29 PM

To: Mayes-WebEmail; Kennedy-Web; Newman-Web; Pierce-Web; Stump-Web; Utilities Div - Mailbox

Subject: Anthem

Ladies, Gentlemen:

I'm sure you're getting lots of these, but please hear me out.

My wife and I own a second home in Anthem, and are there about 5 months a year. Our home is already worth considerably less than we paid for it. Your proposed large water rate increase will just about sink us, as well as many others there. We love our home, but we simply will be unable to afford to keep it if your large rate increase is enacted. I'm sure this applies to many others who are trying to keep the homes they love. The real estate market has already devastated Anthem. This is not the time for a rate increase of this magnitude.

Thank you for your consideration.

Yours,

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

John and Barbara Newton

42026 N Moss Springs Rd

Anthem

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Docketed

End of Comments

Date Completed: 9/30/2010

Opinion No. 2010 - 89809

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Utilities' Response:

Investigator's Comments and Disposition:

docketed
End of Comments

Date Completed: 9/30/2010

Opinion No. 2010 - 89811

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

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Jenny Gomez

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 89757

Date: 9/29/2010

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

Complaint By: First: Dan Last: Rowley

Account Name: Dan Rowley

Home:

Street:

Work:

City: Anthem

CBR:

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-02-0343
REFERENCE: Arizona - American Water Company - Anthem

From: Dan Rowley [mailto:]
Sent: Monday, September 27, 2010 10:23 AM
To: Mayes-WebEmail; Kennedy-Web; Newman-Web; Pierce-Web; Stump-Web; Utilities Div - Mailbox
Subject: Proposed Water Rate Increase - Anthem

Dear Commissioners

My wife and I took possession of our home in the Anthem Country Club in October 1999; almost exactly ten years ago. I have looked back through all of the literature that Del Webb gave us during the course of buying this home. I see nothing that hints at the potential of a future rate increase in water rates to fulfill unpaid infrastructure capital costs. Nor do I recall that possibility ever being verbally mentioned during the discussions with sales agents that led up to the purchase.

As a professional civil engineer with more than 50 years of experience, I have been involved in all kinds of infrastructure development, upgrade or relocation. I cannot recall a circumstance where the entire capital cost of the infrastructure wasn't included in the total project cost. When I purchased my Anthem home, the lot price was distinctly set aside from the home price. In fact I paid a \$40,000 premium for a fairway lot. I assumed that all of the infrastructure development costs were loaded in to the lot price because that had been my lifetime experience.

The rate increase being proposed by the Arizona American Water Company is not only blatantly out of line with customary industry practice but poses a cost burden that I and other Anthem residents can ill afford. I would like to urge that the Arizona Corporation Commissioners seek a course of action other than what Arizona American Water Company is proposing.

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Thank you very much for your consideration of my views.

Dan M. Rowley

Anthem, AZ 85086

End of Complaint

Utilities' Response:

N/A

End of Response

Investigator's Comments and Disposition:

Noted and filed for the record in Docket Control

End of Comments

Date Completed: 9/29/2010

Opinion No. 2010 - 89757

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

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Guadalupe Ortiz

Phone: (6

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 89758 Date: 9/29/2010

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

Complaint By: First: Last:
William Oelhafen

Account Name: William Oelhafen Home:

Street: Work:

City: Phoenix CBR:

State: AZ Zip: is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Contact Phone:

Nature of Complaint:

EMAIL RECEIVED:

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

From: Bill Oelhafen [mailto:

Sent: Tuesday, September 28, 2010 8:59 AM

To: Mayes-WebEmail; Kennedy-Web; Newman-Web; Pierce-Web; Stump-Web; Utilities Div - Mailbox

Subject: water rate increase for anthem

Dear Commissioners:

I am writing to you as a resident of Anthem Country Club. I am writing to express my concerns about the actions being considered with our water rates.

As I understand it, Del Web and American Water made an agreement for which Del Web had a right to be reimbursed for the water infrastructure costs incurred in building out Anthem. American Water had agreed to this deal. There was an estimated amount of risk American Water, as a company, had to calculate when making this deal as the timing of the reimbursement was uncertain (based on certain build out and vacancy statistics).

Unfortunately for American Water, the timing came earlier than expected, and now they have had to put out more of an expense, I am sure at an inopportune time, than they expected.

However, if they wanted to spread this risk, the time for them to do this was during the building phase. There is no where in our purchase agreements that indicates we, the residents, would have to be the bearer of their poor business decisions.

In a time where we have all had to make sacrifices, they are trying to off THEIR accountability and responsibility to the residents of Anthem.

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

We -- my specific family - has lost over 35% of our income, our house has lost 35% of it's value (fortunately we are still above water), we have had to cut out eating out, vacations, and basically any extra expenses. We have had to continually cut back our expenses of things people take for granted, gas for cars, food for the house, activities for our kids. We have done so because it is our RESPONSIBILITY. There is no one to bail us out.

If the Council chooses to proceed with this rate action it will come close to doubling our water bill and increase our Anthem dues (due to their passing on their rising costs). In percentage terms, after all of our income loss and expense cuts, this water increase will increase our budget by 6% on a monthly basis. As we have already come close to cutting to the bone, I don't know where we will find this further expense. And although we can cut back some usage, water is a key need for daily life.

As we have taken responsibility for ourselves, it is time that Corporations, including American Water, take responsibility for their unfortunate business decisions. They are accountable for the deal they cut with Del Webb. They need to owe up to it.

Sincerely

William Oelhafen

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion docketed with the Docket Control Center of the Commission to be made part of the record. CLOSED
End of Comments

Date Completed: 9/29/2010

Opinion No. 2010 - 89758

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

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Jenny Gomez

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 89729

Date: 9/28/2010

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

Complaint By: First: Terah Last: Thompson

Account Name: Terah Thompson Home: (000) 000-0000

Street: N/A Work:

City: Phoenix CBR:

State: AZ Zip: 85086 is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Contact Phone:

Nature of Complaint:

DOCKET NO'S: W-01303-09-0343 and SW-01303A-09-0343
REFERENCE: Arizona - American Water Company - Anthem

From: Thompson, Terah [mailto:1
Sent: Monday, September 27, 2010 12:04 PM
To: Mayes-WebEmail; Kennedy-Web; Newman-Web; Pierce-Web; Stump-Web; Utilities Div - Mailbox
Subject: Concerned citizen regarding rate hike from Arizona American Water Company

Arizona Corporation Commission Members,

I write to you my elected officials as a tax paying resident of the community of Anthem. I have great concern that the flawed views of Arizona American Water Company, a profit making corporation, appear to be receiving favorable views, as opposed to the thousands of taxpaying residents of the Anthem community, who are your constituents and whose interests you are supposed to represent.

Arizona American Water Company is a very profitable, dividend paying corporation. As a for profit corporation they should be putting the interest of their shareholders first, so it is no shock they will seek every penny of a rate increase the Arizona Corporation Commission is willing to grant. However, the Arizona Corporation Commission answers to the best interest of the citizens of Arizona. My expectation is the Arizona Corporation Commission would put the interest the residents over the profits of a business. Arizona American Water Company is not asking for this rate increase to ensure they can continue to provide the residents of Anthem with water, but they are asking for this to ensure their profits can be maintained and increased. You are the last line of defense, in this case, to protect your constituents the residents of Anthem.

Being in your position I am sure you are aware that the national accepted standard of financing water infrastructure is bonding over 30-40 years. In this case Arizona American Water Company is choosing to assume the very early repayment schedule originally made between Del Webb/Pulte and Citizen Water and now efforts are being made to establish an unspeakable rate increase to make the early payback of these

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

funds. Once these funds are paid back it is not likely Arizona American Water Company will come back and request a rate decrease from the commission. They are setting themselves up for long term obsessive profits from the residents of Anthem. These profits will come at substantial cost to the taxpaying citizens of Anthem.

In a community that the average water bill is already \$55 a month higher than the average of 30 water district in the greater Phoenix Metro area, we are going to push it much higher (a proposed 77 percent or \$131.21 higher). Then that water rate increase will affect HOA dues, Club Membership dues, etc... It is a domino effect that will be an additional out of pocket expense to each resident of Anthem Country Club of \$100 to \$115 a month (\$1,200 to \$1,380 a year). As if housing values in Phoenix aren't already low enough, I am sure myself and other residents can expect a decrease in property values because of the water rate increase.

If the huge increase is granted, the residents of Anthem will be stuck with totally unreasonable water costs far into the future and well after the upfront funding has been repaid. I do not expect Arizona American Water Company to reduce rates once the money has been repaid, nor do I have confidence that your successors on the Commission will ever insist, our rates would be lowered. The Arizona Corporation Commission should insist that the Arizona American Water, seek long-term financing for the repayment of the purchase costs, as is an accepted industry standard.

Respectfully,

Terah Thompson
Anthem Resident
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Noted and filed for the record in Docket Control.
End of Comments

Date Completed: 9/28/2010

Opinion No. 2010 - 89729

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Date Completed: 9/28/2010

Opinion No. 2010 - 89728

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Al Amezcua

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 89679 Date: 9/27/2010

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

Complaint By: First: Last:
Elizabeth Anderson

Account Name: Elizabeth Anderson Home: (000) 000-0000

Street: Work: (000) 000-0000

City: Phoenix CBR: E

State: AZ Zip: 85086 is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins Contact Phone:

Nature of Complaint:

From:
Sent: Wednesday, September 22, 2010 11:52 AM
To: Mayes-WebEmail; Kennedy-Web; Newman-Web; Utilities Div - Mailbox
Subject: Anthem Arizona water rate hike

I am at a complete loss as to the reason such a drastic increase in water rates can be considered in these economic times.

I am a homeowner in Anthem Country Club who is barely hanging on to my home. Many of my neighbors have already lost every penny they had invested in their homes and had to move, And now, with everyone struggling to just keep afloat we are threatened by a drastic increase. Not that there is a good time for this to happen, but right now it is exceptionally hard on residents. Surely all you smart people can come up with some way to avoid putting this additional burden on homeowners who are struggling. The mistakes made were not our fault, but we will be the ones who will bear the brunt of them.

There must be an alternative solution to this very serious problem.

Elizabeth Anderson

Anthem, AZ 85086
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

9/27/10 Comments noted for the record and docketed. CLOSED.
End of Comments

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Date Completed: 9/27/2010

Opinion No. 2010 - 89679

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Al Amezcua

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 89660

Date: 9/27/2010

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

Complaint By: First: Joanne Last: Fial

Account Name: Joanne Fial

Home: (000) 000-0000

Street: n/a

Work: (000) 000-0000

City: Anthem

CBR:

State: AZ Zip: 00000

is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone: (623) 815-3109

Nature of Complaint:

From: Joanne Fial
Sent: Wednesday, September 22, 2010 7:51 AM
To: Utilities Div - Mailbox
Subject: Anthem water rate

To Whom It May Concern, I am a resident of Anthem and am deeply concerned about the proposed water rate increase of 77% by Arizona American Water. I live on a retirement income and that increase would drastically affect my budget not only on a personal level, but in many levels of our community. This infrastructure was never disclosed when we purchased our home. Arizona American Water is a multimillion dollar corporation with yearly profits that can surely use other standard practices to secure their return of investment infrastructure. We homeowners should not have to pay for this business deal between Del Web/Pulte and Arizona American Water. Your help in this matter would be greatly appreciated.

Thank you,

Joanne Fial
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Comments noted for the record and docketed. CLOSED.
End of Comments

Date Completed: 9/27/2010

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Opinion No. 2010 - 89660
