

ORIGINAL



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



ARIZONA CORPORATION COMMISSION

October 22, 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 7 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 22 2010

DOCKETED BY

RECEIVED  
2010 OCT 22 PM 4: 02  
ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL



**ARIZONA CORPORATION COMMISSION**  
**UTILITY COMPLAINT FORM**

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Thank you for your time.

Regards,

Tama Ortiz

Anthem AZ 85086-8007

HomeSmart

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

From: Al Amezcua  
Sent: Monday, October 18, 2010 11:05 AM  
To:  
Cc: Al Amezcua  
Subject: FW: ANTHEM WATER RATE INCREASE

Good morning Ms. Ortiz,

I wanted to acknowledge receipt of your email, dated October 15, 2010. Your opinion was received and will be filed in Docket Control to be made part of the record. I wanted to thank you for taking the time to write to the Commission expressing your opinion about the Anthem Water Rate Increase.

Thank you,

Alfonso Amezcua  
Public Utilities Consumer Analyst II  
Arizona Corporation Commission

End of Comments

**Date Completed: 10/18/2010**

**Opinion No. 2010 - 90229**

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ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

Investigator: Jenny Gomez

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 - 90422

Date: 10/21/2010

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

Complaint By: First: Jana Last: Lepke

Account Name: Jana Lepke

Home: (000) 000-0000

Street: N/A

Work:

City:

CBF

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\*\*\*

RE: Arizona - American Water Company - Anthem

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From: daniel lepke [mailto:  
Sent: Wednesday, October 20, 2010 10:05 AM  
To: Utilities Div - Mailbox  
Subject: Fwd: WATER RATE IN ANTHEM, AZ

Begin forwarded message:

From: daniel lepke  
Date: October 12, 2010 1:01:17 PM MST  
To: mailmaster@azcc.gov  
Subject: WATER RATE IN ANTHEM, AZ

As regards to the proposed water rate increase in Anthem, AZ I would like to add my thoughts for your consideration.

Here are the things that you should think about before you raise our water rates by 100%.

WE WERE NEVER TOLD ABOUT THIS PLANNED WATER RATE INCREASE BY ANY ONE BEFORE OR AFTER BE BOUGHT OUR HOME!

THE FACTS:

1. We are retired on fixed Social Security incomes like many others here in Anthem.
2. Our investments have all but vanished.
3. Our property values are much less than we have invested in our homes. We couldn't sell even if we wanted

**ARIZONA CORPORATION COMMISSION**  
**UTILITY COMPLAINT FORM**

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to.

4. Foreclosures and short sales are rampant in Anthem.
5. Our water rates are among the highest in the nation, now. Our bill last month was over \$150.00, and we're very frugal with our water. (we even flush the toilets with bath water! )

**THE REPERCUSSIONS:**

1. We can not afford to pay for water at the proposed increase.
2. Even if we could find a buyer for our home, who in their right mind would want to pay \$350.00 + - for water?
3. Your proposed rate increase would devastate the already sagging Anthem economy.

**ASK YOURSELVES:**

1. How, in good conscience can you double water rates on people that were never informed about the increase?
2. How are people that are just barely hanging on to their homes and jobs going to get the money to pay for this increase?
3. What about;
  - a. the Retired people on fixed incomes.
  - b. the single mom's living on child support and a Walmart pay check.
  - c. the unemployed.
  - d. the Landlords that are going to have to pass on the cost of the rate increase to renter.
  - e. the renters who will look elsewhere for cheaper properties.

I could go on and on, but you get the idea. Do the right thing Commissioner. It may not be the "politically" right thing but it will be the morally right thing to do.

I thank you for reading this.

Sincerely,  
Jana Lepke  
Anthem, AZ  
\*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: 10/21/2010**

**Opinion No. 2010 - 90422**

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W 01303A-09-0343

SW 01303A-09-0343

## ARIZONA CORPORATION COMMISSION

### UTILITY COMPLAINT FORM

Investigator: Brad Morton

Phone:

Fax: (

Priority: Respond Within Five Days

Opinion      No. 2010 - 90204

Date: 10/18/2010

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

First:

Last:

Complaint By:      **Sean & Shantel**

**Riley**

Account Name:      Sean & Shantel Riley

Home: (000) 000-0000

Street:      n/a

Work:

City:      Phoenix

CBR:

State:      AZ      Zip: 85086

is:

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

Division:      Water

Contact Name:

Contact Phone: (

#### Nature of Complaint:

From: The Rileys  
Sent: Sunday, October 17, 2010 9:36 PM  
To: Utilities Div - Mailbox  
Subject: Anthem Water Rate Case

ACC members,

My family of 5 are proud Anthem residents. We moved here for the beauty, the safety for our kids and the active lifestyle for the entire family. We never imagined that families in Anthem would have to make budget sacrifices to accommodate a runaway water bill. We have followed this case for the past 5 years. There are so many things about this case that are disturbing. The fact that Del Webb/Pulte created a deceptive arrangement with the water company is unethical business. The fact that the ACC reviewed the contract and did not stop it from moving forward is negligent. It also bothers me that we elect current ACC members to solve problems and they have been unable to bring any short or long-term solution to keeping the Anthem water rates at a reasonable level. This problem is big now and appears to be growing with every year and every balloon payment. What really upsets me is the impact that the deceit of Pulte and the negligence of the ACC has on the families and businesses in Anthem. The water rates are becoming ridiculous. Since none of the residents were informed of these agreements or their impact on future water rates it means that the only people not involved in the original transaction will be the same people to pay for the bad business of Pulte and the missed responsibility of the ACC. It will also make an already depressed real estate market in Anthem even more depressed. It is nice that I have heard several ACC members talk about how they sympathize with the Anthem residents and I do appreciate the empathy. However, I would feel much more appreciative and proud of the ACC members that find a solution to an ever growing problem of outrageous water rates in Anthem. I hope you are able to find the answer.

Sincerely,

ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

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Sean and Shantel Riley  
\*End of Complaint\*

Utilities' Response:

Investigator's Comments and Disposition:

Opinion docketed  
\*End of Comments\*

Date Completed: 10/18/2010

Opinion No. 2010 - 90204

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ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 90195

Date: 10/15/2010

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

Complaint By: First: Mark Last: Shahinian

Account Name: Mark Shahinian

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:

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

From: mark shahinian [mailto:]

Sent: Wednesday, October 13, 2010 9:42 PM

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

Subject: Anthem Water Rate Increase

To whom it may concern:

This letter is in regards to the proposed Arizona American Water Company rate increase in Anthem, Arizona . Having been an Anthem homeowner for 6 years and reviewing the two, large binders comprised of more than 250 pages about the Anthem community, the construction of my home and the Del Webb Company; there is no disclosure that the cost of the water infrastructure would be passed along to the homeowners after the completion of the community and the builder has departed.

If I was made aware that the cost of the water infrastructure was to be passed to the homeowners, and I was going to face a monthly water bill of more than \$200.00 per month with sparse desert landscape, no grass and very conservative water use, I would have not bought a home on the east side of Anthem serviced by Arizona American Water.

Quite frankly, the cost of the water infrastructure and the placement of the electrical and gas utility lines are costs typically paid for by the builder who develops the project. The builder has probably recognized millions of dollars in profits.

What further adds insult here is that my Mother's home on the west side of Anthem shares the same zip code, is only 3 miles away and is serviced by the City of Phoenix Water . The typical cost of her water bill is \$69.00 per month and includes trash removal.

# ARIZONA CORPORATION COMMISSION

## UTILITY COMPLAINT FORM

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Living in Anthem with the proposed water rate increase feels like a weight being held over your head and you're waiting for the weight to drop. What will happen to the value of my home, which has already sunk below the value I bought it for 6 years ago, with a \$200 - \$300.00 monthly water bill for a relatively small home and no grass?

Hopefully the Corporation Commission will see the rate increase as an example of a dirty backroom deal between a builder and a water company; and protect thousands of Anthem homeowners.

Sincerely,  
Mark Shahinian  
\*End of Complaint\*

### Utilities' Response:

### Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. W-01303A-09-0343 and SW-01303A-09-0343. closed  
\*End of Comments\*

Date Completed: 10/15/2010

Opinion No. 2010 - 90195

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

ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

Investigator: Richard Martinez      Phone:      Fax:

Priority: Respond Within Five Days

Opinion      No. 2010 - 90135      Date: 10/13/2010

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

Complaint By:      First:      Last:  
Lyle      Kishbaugh

Account Name:      Lyle Kishbaugh      Home: (000) 000-0000

Street:      Work:

City:      Anthem      CBR:

State:      AZ      Zip: 85086      is: E-Mail

Utility Company:      Arizona - American Water Company

Division:      Water

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

Nature of Complaint:

DOCKET NOS. W 01303A-09-0343 AND SW 01303A-09-0343

To the AZ Corporate Commission  
Via email on October 13, 2010      )

Dear Commissioners:

Regarding the Anthem water rate case, I strongly object to any recovery of funds advanced by DelWebb/Pulte to the water company for Anthem's water system by bilking the local citizens without their knowledge or agreement. I can find nothing in my several hundred pages of DelWebb home purchase documents that would indicate I owe anything for their private deal. It is my understanding this arrangement was not even shared with your Commission.

The water quality is poor with unacceptable amounts of calcium. To make it potable, we are forced to spend thousands of dollars on water purification and softener systems. The water 'hardness' is usually well above 8 on the ph scale when most experts contend 7 to 7.6 is the proper rating. This is our water company's claim to a state of the art system?

My monthly rates have increased over 100 per cent in just the past five years to \$130. Many of my friends here have stated they cannot afford a near doubling of rates and intend to leave Anthem if this money-grab takes place. If it does, what happens next? Do APS, Verizon, Cox and other utilities line up to make a run to get back their infrastructure costs?

With an already dismal real estate market, the public good will suffer another blow with a cavalier utility reaching further into helpless citizens' pockets.

Most utilities finance their expansion into new markets using stock and bond offerings and a portion of earnings- why not our water company monopoly.

Monopolies rare benefit the public. I remember when there was one phone company. I understand water delivery is different, but without competition we are stuck with the whims and accounting of one company. If your role is, in part, to protect the public I implore you to renounce this arrogant adventure and only consider

ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

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rate increases based on traditional factors other than what is being attempted.

Respectfully,  
Lyle Kishbaugh

Anthem, AZ 85086-2924  
c/:

\*End of Complaint\*

Utilities' Response:

Investigator's Comments and Disposition:

10/13  
Emailed to Phoenix for docketing. FILE CLOSED.  
\*End of Comments\*

Date Completed: 10/13/2010

Opinion No. 2010 - 90135

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**ARIZONA CORPORATION COMMISSION**  
**UTILITY COMPLAINT FORM**

Investigator: Trish Meeter

Phone:

Fax:

Priority: Respond Within Five Days

Opinion      No. 2010      90055      Date: 10/12/2010

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

Complaint By:      First: Kathleen      Last: Ottaviani

Account Name: Kathleen Ottaviani      Home: (000) 000-0000

Street:      Work:  
City: Anthem      CBR et

State: AZ      Zip: n/a      is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name:      Contact Phone:

Nature of Complaint:

10/12 DOCKET NO. W-01303A-09-0343 AND SW 01303A-09-0343

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

From: Kathy Ottaviani [mailto:  
Sent: Monday, October 11, 2010 6:11 PM  
To: Mayes-WebEmail; Kennedy-Web; Newman-Web; Pierce-Web; Stump-Web; Utilities Div - Mailbox  
Subject: Anthem water rate increase

Arizona American Water Company is a multimillion dollar corporation with yearly profits.

I am sure there are many other ways they can continue to provide a return to their shareholder without this HUGH rate increase to the community at Anthem. Arizona American Water Company failure to due diligence will cause a hardship on many families in the Anthem community.

Before purchasing a home in Anthem we thought long and hard when learned that water rates would be approximately \$80.00 a month. In Michigan, we paid less than \$100.00 a year for water. We would have considered areas in the southeast where the cost of living is considerably less.

My current bill dated September 17 was \$154.44. The requested increase would bring this bill to over \$300.00 per month. \$3600.00 per year!!!! for water.

This HUGH rate increase will impact property values. Many families will leave as soon as they can get a fair price for their home.

# ARIZONA CORPORATION COMMISSION

## UTILITY COMPLAINT FORM

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People will have less disposable income, effecting the businesses in our community. There are already way too many businesses that have been forced to close. Have you looked at the shops at the

Outlet Mall at Anthem? At a glance, I would estimate there has been at least a 40% closure of stores there in the past 18 months. This rate increase will cause more. Less disposable income equates to

less shopping, store closures, loss of jobs, less tax revenues, lower property values and on and on.

My husband and I are members of the golf community at Anthem. Increased water rates will have to be passed on to the members. I know of many families that are considering giving up their membership

if this rate increase is allowed to pass. Again, impacting property values and the tax structure in our community.

A rate increase may be good for Arizona American Water Company. It is NOT good for the community of Anthem, or the state of Arizona.

Kathleen A. Ottaviani

Anthem, Az

\*End of Complaint\*

### Utilities' Response:

### Investigator's Comments and Disposition:

10/12

Docketed

\*End of Comments\*

Date Completed: 10/12/2010

Opinion No. 2010 - 90055

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**ARIZONA CORPORATION COMMISSION**  
**UTILITY COMPLAINT FORM**

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Investigator: Trish Meeter

Phone:

Fax:

Priority: Respond Within Five Days

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Opinion      No. 2010      90106      Date: 10/13/2010

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

Complaint By:      First:      Last:  
Jana      Lepke

Account Name:      Jana Lepke      Home: (000) 000-0000

Street:      n/a      Work:

City:      Anthem      CBR:

State:      AZ      Zip: n/a      is: E-Mail

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Utility Company:      Arizona - American Water Company

Division:      Water

Contact Name:      Contact Phone:

Nature of Complaint:

DOCKET NOS. W 01303A-09-0343 AND SW 01303A-09-0343

OPPOSED RATES ANTHEM

From: daniel lepke [mailto:  
Sent: Tuesday, October 12, 2010 1:01 PM  
To: Utilities Div - Mailbox  
Subject: WATER RATE IN ANTHEM, AZ

As regards to the proposed water rate increase in Anthem, AZ I would like to add my thoughts for your consideration.

Here are the things that you should think about before you raise our water rates by 100%.

WE WERE NEVER TOLD ABOUT THIS PLANNED WATER RATE INCREASE BY ANY ONE BEFORE OR AFTER BE BOUGHT OUR HOME!

THE FACTS:

1. We are retired on fixed Social Security incomes like many others here in Anthem.
2. Our investments have all but vanished.
3. Our property values are much less than we have invested in our homes. We couldn't sell even if we wanted to.

**ARIZONA CORPORATION COMMISSION**  
**UTILITY COMPLAINT FORM**

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4. Foreclosures and short sales are rampant in Anthem.
5. Our water rates are among the highest in the nation, now. Our bill last month was over \$150.00, and we're very frugal with our water. (we even flush the toilets with bath water! )

**THE REPERCUSSIONS:**

1. We can not afford to pay for water at the proposed increase.
2. Even if we could find a buyer for our home, who in their right mind would want to pay \$350.00 + - for water?
3. Your proposed rate increase would devastate the already sagging Anthem economy.

**ASK YOURSELVES:**

1. How, in good conscience can you double water rates on people that were never informed about the increase?
2. How are people that are just barely hanging on to their homes and jobs going to get the money to pay for this increase?
3. What about;
  - a. the Retired people on fixed incomes.
  - b. the single mom's living on child support and a Walmart pay check.
  - c. the unemployed.
  - d. the Landlords that are going to have to pass on the cost of the rate increase to renter.
  - e. the renters who will look elsewhere for cheaper properties.

I could go on and on, but you get the idea. Do the right thing Commissioner. It may not be the "politically" right thing but it will be the morally right thing to do.

I thank you for reading this.

Sincerely,  
Jana Lepke  
Anthem, AZ  
\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

Docketed  
\*End of Comments\*

**Date Completed: 10/13/2010**

**Opinion No. 2010 - 90106**

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