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ORIGINAL
OPEN MEETING AGENDA ITEM



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ARIZONA CORPORATION COMMIS:
UTILITY COMPLAINT FORM

Investigator: Brad Morton Phone: DOCKETED Fax: .1
Priority: Respond Within Five Days DEC 7 2010

Opinion No. 2010 - 91650 DOCKETED BY Date: 12/6/2010
Complaint Description: 08A Rate Case Items Opposed
N/A Not Applicable

Complaint By: First: Lynn Last: Vick

Account Name: Lynn Vick 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
Sent: Friday, December 03, 2010 4:00 PM
To: Mayes-WebEmail; Pierce-Web; Kennedy-Web; Newman-Web; Stump-Web; Utilities Div - Mailbox
Cc: Director Jodi Jerich, Esq
Subject: Anthem ROO - Docket No. W-01303A-09-0343

Dear Commissioners,

The Commissioners' vote for the previous Anthem water/wastewater rate case was three in favor of the increase and two opposed to the increase. Based on that split vote and the very vocal comments of one of the Commissioners who opposed that previous increase, I was hoping and expecting that the Commission staff and the Administrative Law Judge (ALJ) would have a different perspective on the significant issues pertaining to both the previous and current rate case. It is my understanding that at least one and maybe all three of the Commissioners who voted in favor of the previous rate increase did so because they felt like there was "not sufficient evidence on the record" to vote no. If I remember correctly, AAWC threatened to sue the Commission if the rate increase was not approved. Apparently, the three Commissioners who voted in favor of the increase believed that AAWC would prevail if they did sue.

Based on that background, I was fully expecting that the Commission staff and the ALJ would take whatever steps were necessary to obtain "sufficient evidence on the record" to justify a different outcome for the current rate case. My impression from reading the current ROO is that nothing has changed in the minds of the Commission staff and the ALJ.

It is not clear to me what is considered to be "on the record." There has been substantial information submitted to the Commissioners during the past few months which does not seem to have been addressed by the Commission staff or the ALJ in the ROO. If that information is not currently considered to be "on the record," how does it get to be "on the record?" If the Commissioners do not think that there is currently sufficient

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information "on the record" to produce a different outcome from that recommended by the ROO, I am pleading with you to take whatever action is necessary to get that information "on the record."

My impression from reading the ROO is "business as usual" for the Commission staff and the ALJ, even though there are extremely unusual circumstances pertaining to the development of water/wastewater rates for Anthem from the very beginning going back over 10 years. My interpretation of "business as usual" is from "negotiation 101" as follows:

- (1) Utility company asks for the moon by throwing everything, including the kitchen sink, into their rate request.
- (2) Commission staff does a cursory review and eliminates the most obvious items which never should have been included in the rate request to begin with.
- (3) ALJ generally goes along with the Commission staff recommendations.
- (4) Utility company ends up with as much or more than they actually expected.
- (5) Commission staff pats themselves on the back for reducing the original request by eliminating the obvious.
- (6) ALJ says "I had to go along with what the Commission staff recommended."

You five Commissioners have the authority and I would suggest the responsibility to break this cycle of "business as usual." Three of you are new since the previous Anthem rate case, one was vehemently opposed to the previous rate increase, and I suspect that the other one voted for the previous rate increase only because he believed that there was not sufficient evidence "on the record" to vote no.

The Anthem residents are pleading with you to establish "fair, reasonable, and just" water/wastewater rates. The current recommendations of the ROO added to the extremely large previous rate increase are certainly not "fair, reasonable, and just" in the minds of the Anthem residents.

Respectfully submitted,

Lynn Vick
Anthem, AZ 85086
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Letter docketed
End of Comments

Date Completed: 12/6/2010

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