

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



ORIGINAL



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ARIZONA CORPORATION COMMISSION

January 4, 2011

To: Docket Control

RE: Arizona American Water Company - Customer Comments  
Docket Nos. W-01303A-09-0343 and SW-01303A-09-0343

Arizona Corporation Commission

DOCKETED

JAN 4 2011

DOCKETED BY	<i>RD</i>
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Please docket the attached 4 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

RECEIVED  
2011 JAN -4 A 11: 05  
ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

Investigator: Jenny Gomez

Phone:

Fax: (

Priority: Respond Within Five Days

Opinion No. 2010 - 92066

Date: 12/20/2010

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: Anthem

CBR:

State: AZ Zip: N/A

is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name:

Contact Phone:

Nature of Complaint:

\*\*\*\*\*DOCKET NOS W-01303A-09-0343 and WS-01303A-09-0343\*\*\*\*\*  
Reference: Arizona - American Water Company - Anthem

From:

Sent: Friday, December 17, 2010 3:03 PM

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

Cc: Director Jodi Jerich, Esq

Subject: ACC Anthem Water/Wastewater Decision - Docket No. W-01303A-09-0343

Dear Commissioners,

As a resident of Anthem who has studied the current case and provided numerous comments, I was extremely disappointed in the decision by the Commissioners. It seems to me that there was not sufficient concern by the Commission regarding the "double dipping" of \$53 million. The following facts were available to the Commission:

(1) You had documentation which indicated that the cost of the infrastructure was included in the price of the homes that was paid to Del Webb/Pulte.

(2) You had documentation which indicated that AAWC had made balloon payments to Pulte totaling \$53 million: (1) \$23 million is already in the Anthem rates based on the previous rate case, (2) another \$23 million will be added to the Anthem rates based on the decision of this case, and (3) another \$7 million was paid this year which AAWC will undoubtedly request to be included in the next rate case.

It seems to me that AAWC knew or at least should have known that the cost of the infrastructure was already included in the price of the homes, so I am wondering why AAWC would agree to make balloon payments totaling \$53 million to Pulte. I posed this question to the Commissioners by email prior to the Open Meeting on

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

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December 14 and 15, but never did receive a response from Commission staff. This line of questioning was never pursued by any of the Commissioners.

I understand that the law requires the Commission to set rates to cover the costs incurred by the utilities plus a reasonable rate of return. However, I don't think that it was ever intended for the rate payers to bear the cost of bad business decisions by utilities, or for what may be consider to be fraud.

I appreciate that Commissioner Newman did present an amendment recommending further evidentiary proceedings on this matter, and the comments of Chairman Mayes regarding this matter in both the previous case and current case. However, it is my impression that the other three Commissioners did not show sufficient support to pursue this matter any further.

It now seems to me that, based on the decision of the Commissioners, the only recourse for the residents of Anthem to recover this "double dipping" of \$53 million plus damages is to pursue lawsuits against Del Webb/Pulte. It is my understanding that two lawsuits have already been filed: (1) in one the judge declined to grant class action status, and (2) the other is still pending. I think I understood Chairman Mayes to recommend that both the Arizona Corporation Commission (ACC) and AAWC should participate in these and any other lawsuits as friends of the court in support of Anthem. I sincerely hope that the ACC and AAWC will follow through on this recommendation. I would also recommend that RUCO provide their assistance in this matter.

Respectfully submitted,

Lynn Vick  
Anthem resident  
\*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: 12/20/2010**

**Opinion No. 2010 - 92066**

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

Investigator: Deb Reagan

Phone:

Fax:

Priority: Respond Within Five Days

Opinion      No. 2010      92055

Date: 12/20/2010

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

Complaint By:      First:      Last:  
Jerad      Shepherd

Account Name: Jerad Shepherd

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 \*\*\*\*\*

\*\*\* ANTHEM WATER DISTRICT \*\*\*

Customer sent the following -

From: Jerad Shepherd [mailto:c  
Sent: Thursday, December 16, 2010 8:50 AM  
To: Utilities Div - Mailbox  
Subject: Anthem Water Rates

Thank you for making a decision on the Anthem Water Rate case that will now force me and my family out of our home. My feeling all along has been that Arizona American Water made a bad business decision and now WE, then Anthem residents, have to pay for it.

I hope you can sleep easy at night knowing that your decision has forced hundreds of people to move from their homes.

Sincerely,

Jerad Shepherd  
\*End of Complaint\*

Utilities' Response:

Investigator's Comments and Disposition:

# ARIZONA CORPORATION COMMISSION

## UTILITY COMPLAINT FORM

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

\*End of Comments\*

Date Completed: 12/20/2010

Opinion No. 2010 - 92055

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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      92011

Date: 12/16/2010

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

First:

Last:

Complaint By:      **Ronald & Ardelle**      **Freimark**

Account Name:      Ronald & Ardelle Freimark

Home

Street:

Work:

City:      Sun City

CBR:

State:      AZ      Zip: 85351

is:

Utility Company.      **Arizona - American Water Company**

Division:      Water

Contact Name:

Contact Phone

Nature of Complaint:

\*\*\*DOCKET NOS W-01303A-09-0343 and SW-01303-09-0343\*\*\*

December 9, 2010

Arizona Corporation

Re: Docket Numbers -  
W-01303A-09-0343  
SW-01303A-09-0343

Water Rate Increase

Please vote to lower water and sewer rate increase in Sun City. We seniors are on a fixed income with no increase in Social Security.

Ronald & Ardelle Freimark

1

Sun City, AZ 85351

\*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\*

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

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Date Completed: 12/16/2010

Opinion No. 2010 - 92011

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ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

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\*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: 12/16/2010

Opinion No. 2010 - 92005

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