

ORIGINAL

Arizona American Water
W-01303A-10-0448



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June 25, 2011

Mr. Gary Pierce, Chairman
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85002-2996

Reference: Docket No. W-01303A-10-0448

Dear Chairman Pierce,

As customers of Arizona-American Water Company (AAWC), we wish to raise our objections to the proposed rate increase by AAWC. We feel that AAWC did not issue adequate notification of this proposed increase. We learned of this proposed increase through our Sun City Grand Home Owners Association and not directly from AAWC. It seems to us that when a utility is proposing an increase of approximately 80%, extra special effort should be made to notify those being impacted. The fact that only two associations have filed to intervene in this case indicates that many associations in the area are not aware of the proposed rate increase.

The proposed increase is to pay for a \$62 million water treatment plant that was to serve new customers. The plant was built in anticipation of new growth in the area and was to be paid for through hook-up fees and developers. AAWC made a business decision to build the plant and sought approval of the Commission. The Commission approved the building of the plant with the understanding that new customers would be using and paying for it. The plant was not intended to be used by existing customers. Given the economic turndown, the anticipated addition of new customers did not happen. Now AAWC wants their existing customers to pay for the plant which was not part of the proposal when approved by the Commission. AAWC is a for-profit company and they should be able to absorb losses as well as profits. It does not seem right that existing customers like us should be penalized for a business decision gone badly.

If approved, the proposed increase will have a two-fold impact on us. First, our home water bill will increase dramatically. Our most recent monthly bill was for \$39. That would increase to approximately \$75. As retirees, we are trying our best to control expenses. But our pension has been reduced the past two years and social security has not had a cost-of-living increase in two years. Secondly, as residents of Sun City Grand, we pay an annual association fee to operate and maintain community facilities. AAWC provides water to our community and if this increase is approved as proposed our annual association fees will be increased.

Poor notification by AWCC, and a business decision gone awry to be funded by an exorbitant increase in personal expenses is not acceptable to us. We therefore request that you and your colleagues vote NO on this proposed increase.

Sincerely,

James A. and Lynn K. Wilson

Surprise, AZ

CC: Commissioner Paul Newman
Commissioner Brenda Burns
Commissioner Bob Stump
Commissioner Sandra D. Kennedy

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