

Antonio Gill

Arizona American Water

W-01303A-10-0448



0000127802

From: Peter **In Opposition**
Sent: Tuesday, July 19, 2011 3:06 PM
To: Antonio Gill
Subject: Water rate increase for Surprise residents RE: Docket No. W-01303A=10-0448
Attachments: Arizona Corporation Commission1.doc; Arizona Corporation Commission2.doc

ORIGINAL

Sir,
Thank you for forwarding these two letters to the Chaiman and Commissioners. Unfortunately, your website is currently malfunctioning so I am not able to directly forward my comments to each member individually. Thank you for your consideration to my comments.

Peter W. Hladek

Surprise, Arizona

Arizona Corporation Commission

DOCKETED

JUL 26 2011

DOCKETED BY 

AZ CORP COMMISSION
DOCKET CONTROL

2011 JUL 26 A 11:29

RECEIVED

Arizona Corporation Commission
1300 West Washington Street
Phoenix, AZ 85007

RE: Docket No. W-01303A=10-0448

Commission Members:

- I am adamantly opposed to this water rate increase! I am sending my comments to you in this manner because your Arizona Corporation Commission Public Comment Form did not allow me to enter comments in the comment section or send the form. Cases such as this are extremely important to the citizens of Arizona and every effort must be made by Commission staff to ensure that the public has an easy to use conduit to express their opinions and ideas to the Commission.

Summary

On November 3, 2010, Arizona-American Water Company, Inc. filed an application with the Arizona Corporation Commission for permanent revenue increases for its following Districts: Agua Fria Water district, Havasu Water district, and Mohave Water district. For its **Agua Fria Water district**, Arizona-American's application requests an annual revenue increase of approximately \$17,879,283 or 73.1 percent over current revenues.

Arizona American Water (AAW) built a \$62 million dollar water treatment plant (White Tank Water Treatment Plant) in anticipation of water needs of thousands of homes that were not yet built and as a result of the decline in the economy still have not been built. In anticipation of future growth the Arizona Corporation Commission approved the building of the plant. The entire cost of this plant was to be paid for by water hook up fees from NEW customers and the developers building new developments. Since these developments were never built AAW is now returning to the Arizona Corporation Commission asking for an increase in existing customer fees in order to pay the loan on the White Tank Mountain Water Plant.

- Even when Arizona American Water knew that development if the Agua Fria Water District had come to a halt, they still proceeded and build the plant, they did not stop construction or scale back construction. The result is a plant that was built to 100% capacity and is only operating at 11%.
- So now Arizona American Water wants the ratepayers to subsidize their bondholder and stockholders through the filing of this increase. Investors reap the rewards of good management in a risk versus reward system and bear the brunt of poor decisions. That is exactly why they invest. Now Arizona American Water was the ratepayers to guarantee a rate of return for their investors, holding the company management harmless an unaccountable.
- Notwithstanding the downturn in the economy, all companies and citizens have had to weather this financial storm. The fact that people bought houses that decreased in value, had their stock portfolios devastated, and builders saw their holdings in commercial real estate evaporate, demonstrates that economic circumstances are a reality that all of us have to cope with. The massive 82% increase in water rates amounts to a ratepayer "Bailout" of Arizona American Water.
- As you remember, Arizona Public Service and Tucson Electric encountered similar issues with economic situations, and the Commission told them to "tighten their belts." Most bondholders and shareholders are in the investment game for the long term. The return management and the investors are looking for will come, but more slowly and over a longer

term than desired. **Please do not place the financial success of Arizona American Water on the backs of ratepayers.**

- Arizona American Water is rate regulated to avoid such situations as we have here. Ratepayers rates are to be kept as low as possible ensuring the company of a fair rate of return under the rules of good management and fiscal responsibility.
- The Commission is charged with the stewardship of the relationship between the company and ratepayers and has a fiduciary obligation to provide such fiscal stewardship and fiscal restraint.
- The Arizona Corporation Commission must operate with absolute transparency. Failure to notify all of the affected parties should be notified whenever a rate increase is requested. Especially when a request to nearly double the rates!
- None of the affected ratepayers were informed of the pending rate increase by Arizona American Water, several months ago when it was applied for and were only made aware of it through our homeowners association.
- Thousands of people in the Agua Fria water district are going to see an increase in their water bill of approximately 80%, yet only 2 associations have filed to intervene, this alone should raise a red flag that proper notification was not done.

Failure to Notify

- When Mitzi Mills, Executive Director of Sun City Grand asked City of Surprise Council Members about this issue, they were not aware of it, and they as well were not aware that the name of the water district that many of their homeowners were in was Agua Fria, another clear indicator that proper notification of the water district name and the pending increase were not communicated to the citizens.
- We were never told or provided a map by Arizona American Water showing that your water district was the Agua Fria Water District and therefore any communications or articles that referenced an increase in the Agua Fria Water District would not have alerted me that I personally may experience a rate increase.
- I have never received a notification inviting me to a public meeting to hear from Arizona American Water on this issue.
- Not only will this water rate increase raise my personal water bill approximately 80%, it will raise the Sun City Grand Association water bill by the same amount, which close to a half a million dollars. As a homeowner in an association I have the potential for an increase in your annual assessment of \$50.00 to cover this increase.
- Please deny or mitigate this increase! I look forward to attending the hearing on this matter. Thank you for your consideration.

Sincerely,

Peter W. Hladek

Surprise, Arizona

Arizona Corporation Commission
1300 West Washington Street
Phoenix, AZ 85007

Commissioners:

RE: Docket No. W-01303A=10-0448

I am opposed to the rate increase requested by Arizona American Water.

The Arizona Corporation Commission has jurisdiction over the quality of service and rates charged by public service utilities. By state law, public service utilities are regulated monopolies given the opportunity to earn a fair and reasonable return on their investments. What is fair and reasonable in any particular case has been and always will be open to debate in rate hearings before the Commission. Generally, the Commission tries to balance the customers' interest in affordable and reliable utility service with the utility's interest in earning a fair profit.

The rate increase requested by American is excessive and unwarranted. Unregulated companies do not have the luxury of the regulated utilities being able to pass on the costs of operations and investment. The effects of poor management decisions, changes in the economy, and consumer actions are borne by the stockholders and management is held ultimately accountable.

According to American Water, the economic downturn and management's decision to build the overbuilt and underutilized White Tank Water Treatment plant falls directly into the lap of ratepayers, while management and investors have no risk. The newly created Agua Fria Water District members are treated as an ATM to provide unlimited funding protect the stockholders of AAW from financial risk and release management from accountability.

AAW is a solvent, profitable organization, who in June 2011, touted a 5% increase in dividends over the last three years, \$212 million in increased revenue from rate case rate increases, (as of June 1, 2011) and a shareholder return in excess of 41%, double that of the S&P 500, and Down Jones Utilities indices from May 28, 2010 to May 31, 2011.

According to the company's SEC form 10k, American Water looks at the properties held as a "portfolio" meaning that an overall rate of return is achieved with some of the properties earning more than others, and long and short term investment horizons considered with their capital expenditure program.

A review of some 10 recent American Water rate cases across the country, shows rate increases of 4% to 16% translating to monthly average bill increases of \$3.46 to 6.42. This is a far cry from the proposed Arizona increase of 83% or \$25 per month!

At the very least, the Commission needs to continue these hearings at least until all affected ratepayers are informed and more analysis can be completed for public input.

Sincerely,

Peter W. Hladek

Surprise, AZ 85374

July 21, 2011

Mr. Gary Pierce, Chairman
Arizona Corporation Commission
1200 W. Washington – 2nd Floor
Phoenix, Arizona 85007

Dear Mr. Pierce,

We are NOT in favor of the rate increase asked for by the Arizona-American Water Company.

We are retired and have not had a raise since 1996, when we retired. As you know, money is at a premium for us now, and this rate increase would drastically affect us. We can barely afford what we are being charged now.

Your attention to this matter would be greatly appreciated.

Sincerely,

Richard Lettie
Virginia Lettie

Richard and Virginia Lettie

Surprise, AZ

Bruce B. Cox

Surprise, AZ

July 22, 2011

Mr. Gary Pierce, Chairman
Arizona Corporation Commission
Commissioners Wing
1200 W. Washington
Phoenix, AZ 85007-2996

Dear Mr. Chairman:

Re: Docket #W-01303A-10-0448

My wife and I live in the Agua Fria Water District, and we oppose the Arizona American Water (AAW) filing for an incredible 84% increase in our monthly water bill. As retired citizens of your community, we live on a relatively fixed income which would be *very significantly* impacted if the AAW filing was granted in any meaningful way.

We understand that there was an agreement made whereby the City of Surprise (in anticipating a large increase in the population of the city) encouraged Arizona American Water to build a larger water treatment plant. Moreover, the company was assured of a pay back of the construction costs via fees from the (anticipated) new developers. When the recession and depressed housing made its presence known in 2008, why did AAW persist in building the new facility? I'd call it a poor management decision. Now that the expected swell in the population has not taken place, apparently the company has turned to its older customers to pay the bill...

... but there's a whole lot wrong with their desperate decision.

At no time were the folks who live in the Agua Fria District expected to pay for the *whole* cost of building the plant. Never! It has been acknowledged by the company that Agua Fria's draw down on the new facility would only be 11%. Why wasn't this taken into consideration? What kind of mathematical formula did they use to come up with their absurd 84%. Yes, yes. You and I both know that utilities always ask for more than what they expect to get, but the spread from 11 to 84 is onerous and usury in nature.

Another thing that bothers me about the company's filing has to do with the charge *ad nauseum*. As I understand what they're asking for, they want to raise our rate by 84% FOREVER! There appears to be no cutoff. We are not just being asked to pay for their mistake in continuing to build *this* treatment plant. No. They want us to pay for it over and over. That's unconscionable.

A very troublesome consideration has to do with this 100 year water fee which has been paid by each of the homes in this development. That money went to: 1) prove that the aquifer below us would support us for at least 100 years; and 2) the development of wells and accompanying storage tanks and piping of water to our individual homes. That's knowledge of which I, as a prudent homeowner, want to be assured. I don't mind paying for that one bit.

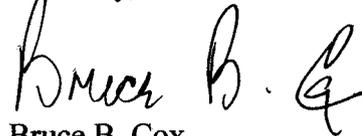
However, something happened during the last 12 months or so. I began to notice a change in the quality of the water. My wife pointed out that the dishwasher was no longer cleaning the dishware, and the plastic glasses were turning a pale white. Upon inquiry, I was told that the water company was switching over to water from the Central Arizona Project (CAP). Please note: I had to ask; they didn't tell me in any bill enclosure nor special mailing that I can recall.

The water was exceedingly hard. Prior to my discovery that we were getting CAP water, I bought a new dishwasher thinking, mistakenly, that the staining of our glasses was due to some fault in the washer. Man, was I wrong. Then, in order to neutralize this CAP water, I finally ended up paying another \$3795 that I didn't have to get a special all-house water softener... which, until CAP came into my house uninvited, I didn't need. My expectation on the 100 year fee was that our wells would continue to deliver acceptable soft water from our wells not only for our lifetime, but for our childrens' as well.

There's another so-far hidden cost which we who live in Surprise's developed suburbs will be forced to pay, I'll bet. Our developed neighborhood is very proud of its landscaping (which has won state-wide awards) and our golf courses. My wife and I believe in xeroscape; we practice it in our front and back yards. While I'm not a golfer, I must admit to finding it pleasing to see at least bits of green here and there as one drives our streets. I know for a fact that we pay through the nose for that ardent pleasure to the tune of a very fat annual six figures. If any part of this requested increase goes through, our development's water costs will practically *double*. Guess where *that* money's going to come from! I know those guys in Pasadena could care less about the consequences we Arizonans must face, but we do and you must.

Please, please deny this rate increase.

Sincerely,

A handwritten signature in black ink that reads "Bruce B. Cox". The signature is written in a cursive, somewhat stylized font. The first name "Bruce" is written in a larger, more prominent script, followed by "B." and "Cox".

Bruce B. Cox

Antonio Gill

From: Clem Smith [oldsmitty@yahoo.com]
Sent: Sunday, July 24, 2011 2:49 PM
To: Newman-Web
Subject: Docket# W- 01303A-10-0448

Member of the Arizona Corporation Commission:

We are writing this e-mail to let you know that we just heard about a proposed water rate increase that might pertain to where we live. We are residents of Surprise.

We were never made aware that there was an increase proposed for our area and secondly, did not know we were customers of the Arizona American Water in the Aqua Fria Water District.

Certainly, customers should have advance information before any action is taken on matters such as a water rate increase of this magnitude or any other proposal affecting the public.

We feel that we were not given adequate notice by the company or city that we were involved in any water rate increase.

Please give this your attention. From what we have learned so far, it sounds like this increase would be unjustified..

Thank you.

Respectfully submitted by Clement and Joan Smith

Antonio Gill

From: carol [cacourtney@cox.net]
Sent: Sunday, July 24, 2011 12:09 PM
To: Pierce-Web
Subject: Docket # W-01303A-10-0448- Arizona American Water

Mr. Pierce,

We are residents of Arizona Traditions in Surprise and are opposed to the proposed HUGE water rate increase requested by Arizona American Water. As you are probably aware, Arizona Traditions is a HOA community and has swimming pools as well as landscaping that require water. Therefore, any rate increase will doubly impact our wallet (as meager as it is already being senior citizens on a fixed income) in order for us to pay for water for our personal use as well as the HOA use. Also, with our economy being in the poor condition it currently is, it is unconscionable for ANY company to ask for such a ridiculous rate increase. Even if times were good, this is an extremely large rate increase request. Please take the above into consideration and let's get the rate increase down to a reasonable amount. Thank you for your attention to this matter.

Sincerely,

Richard & Carol Courtney

Surprise, Arizona

Antonio Gill

From: Pumpkin481@aol.com
Sent: Saturday, July 23, 2011 9:56 AM
To: Newman-Web; Burns-Web; Pierce-Web; Stump-Web; Kennedy-Web
Subject: Water Rate Increase - Docket No. W-01303A-19-0448

This wire is being sent to each of you requesting you veto any rate increase.

Thousands of residents many on fixed incomes are facing an 80% rate increase which is absurd! Only two (2) associations have filed to intervene...this alone should raise question that proper notification wasn't done.

The residents here in Arizona Traditions were NEVER alerted that we would experience this type of increase...it is totally unwarranted and uncalled for in these difficult economic times.

Please veto any such increase ... it is unwarranted. I would like for public hearings to be held on this matter and if necessary, let's find another more responsible water company to do business with.

Yours truly

Bruce P Colliander

Surprise, AZ

Should you wish to discuss I can be reached at 623-234-8126

Antonio Gill

From: Scott and Genevieve [gandsaz@cox.net]
Sent: Saturday, July 23, 2011 10:32 AM
To: Pierce-Web; Newman-Web; Burns-Web; Stump-Web; Kennedy-Web
Subject: Commercial and Residential Water Rates Going Up

Hello. I'm writing on behalf of a notice I received from my HOA regarding Commercial and Residential Water Rates Going up 82.89% for Arizona American Water Customers. I'd like to address this issue and have this forwarded onto the correct person to receive this to have my opinion heard. First off, 82.89% increase? Are you kidding me? That HAS to be a typo because nothing, and I mean nothing, in life goes up 82.89%. Even gas prices hasn't gone up 82.89%. That is just insane. Secondly, any increase at this time in the economy is crazy. I haven't, my husband hasn't, my friends and family haven't received an increase in their salaries, much less 82.89%, so why would Arizona American Water receive such an increase when people are just trying to keep their heads above water to save their house and put food and clothes on their children's backs. Arizona American Water Customers has not used more water, if anything, we are trying to be more conservative about everything and anything these days to just pay our bills. So why do Arizona American Water think they can give themselves a raise when we, your customers, haven't seen raises ourselves in over 2 years! We wonder why the economy is in the dumps, it's because every company out there wants to increase their rates to support themselves, which we have no control over and we have to shell out yet more money for gas, water, electric, things we need and can't live without. Instead of increasing, why don't you consider decreasing until the economy picks up, people who have lost their jobs get back on their feet and they can continue living in their homes they do now without worrying about how they are going to pay next months mortgage. These constant increases is why people are walking away from their homes and why Arizona has the highest unemployment and foreclosures in the United States.

So I ask that Arizona American Water seriously considers this "rate increase" and think of your fellow neighbor and help them out like back in the day when considering your neighbor and their neighbors needs actually meant something. In the end, this rate increase would not only affect our water bill, but our HOA bill would then in turn go up as well, so we would have a double whammy. Thank you.

Thank you for your time,
Mrs. Genevieve Vincelette

ARIZONA CORPORATION COMMISIONER

DEAR MR PIERCE,

I AM WRITING YOU TO ASK THAT YOU DO NOT VOTE FOR THE PROPOSED WATER INCREASE SOON TO BE VOTED ON AUGUST 17TH. WE AS RESIDENTS OF SUN CITY GRAND ARE ON A FIXED INCOME AND RETIRED AND A RAISE IN OUR WATER RATES WOULD SURELY PUT US OVER THE EDGE. CONSIDER US SENIORS IN YOUR DECISION.

SINCERELY,

Ellen Ross / Lucille Spangler

ELLEN ROSS AND LUCILLE SPANGLER

ARIZONA CORPORATION COMMISIONER

DEAR MR. PIERCE,

I AM WRITING YOU TO ASK THAT YOU DO NOT VOTE FOR THE PROPOSED WATER INCREASE SOON TO BE VOTED ON AUGUST 17TH. WE AS RESIDENTS OF SUN CITY GRAND ARE ON A FIXED INCOME AND RETIRED AND A RAISE IN OUR WATER RATES WOULD SURELY PUT US OVER THE EDGE. CONSIDER US SENIORS IN YOUR DECISION.

SINCERELY,

Tony Messina

TONY AND MARGARET MESSINA.

7/23/11

Date: July 25, 2011

To: Arizona Corporation Commission (Docket #W-01303A-10-0448)

From: William and Cynthia Kroger

Surprise, AZ

I live in Surprise, AZ and I recently became aware that Arizona-American Water Company has requested an 82.89% increase in the water rate. I am shocked and upset by this request. I am shocked because I wasn't aware that I lived in the Agua Fria Water District but mainly because any increase to a utility bill of 82.89% is outrageous. How can an increase of this magnitude be justified. It is my understanding that the justification is based on the construction of a larger than needed water plant. If in fact, Arizona-American Water Company built a largely unused water facility because they mistakenly anticipated a huge increase in the population in the Agua Fria Water District, then they should be forced to downsize their operation and pay for their own poor planning. I am upset about this proposal not only because of future increases to my water bill but also because the quality of my water has actually decreased. I have lived in Sun City Grand for almost six years but in the last year my wife and I noticed that our glasses, silverware and other items we wash in our dishwasher have become cloudy, spotted, and stained. I now find out that to show an increased need for that new water facility, Arizona-American Water Company no longer uses water from a water pumping facility that sits across the street from my house. They want me to pay more on my monthly water bill and for this I get a decrease in the quality of my water. In addition, any increase could result in an increase in my Sun City Grand yearly assessment to cover an increase in their water bill. I implore your commission to scrutinize any increase requested by Arizona-American Water and use common sense in the approval of any increase in the water rate for the Agua Fria Water District.

William E. Kroger, SR

To: Mr. Gary Pierce

I am greatly concerned with the proposed rate hike increase in our water bill. My husband and I are careful with our usage and hope you can fight to keep our rates reasonable. Thank you in advance for your diligence in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Catharine C. Brennan". The signature is written in black ink and is positioned below the word "Sincerely,".

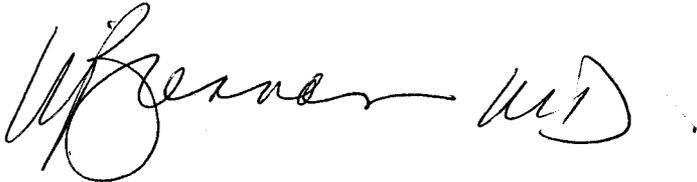
Catharine (Kit) Brennan

Surprise, AZ

To: Mr. Gary Pierce:

There is great concern within our community concerning the rate hike increase proposed for our water. Please do everything in your power to make sure we are not being penalized in the present for future projections.

Sincerely,

A handwritten signature in black ink, appearing to read "Dr. Michael J Brennan". The signature is written in a cursive style with a large initial "M" and a distinct "J" and "B".

Dr. Michael J Brennan

Surprise, AZ

Antonio Gill

From: Sheri Eppinger [seppinger1@cox.net]
Sent: Monday, July 25, 2011 9:31 PM
To: Newman-Web; Burns-Web; Pierce-Web; Stump-Web; Kennedy-Web
Subject: AZ American Rate Hike

Hello. My name is Sheri Eppinger and I live in Surprise, Arizona. I am writing in regards to the proposed 82.89% rate increase from Arizona American Water Company. I am absolutely appalled that such an indecent increase is actually on the table with the chances of passing. I have (3) young children that I am trying to raise and provide for. I feel it unnecessary to be penalized for a company's mismanagement and poor spending habits. The answer to such problems is not to dig further into the pocket books of residents such as myself and put my family further under water. I cannot afford such an outrageous price increase to still use the same amount of water as previously used yet be billed much more. I think that it is time that the American people take our country and our pocket books back!! A water bill increase is not the only increase that will take place if this rate hike is approved. The HOA's cannot afford to take such an increase themselves to maintain the landscapes and keep the neighborhoods looking beautiful and adding value to the City of Surprise without passing it on to the homeowners themselves. I urge you to take action in killing this outlandish rate hike proposal. Let the utility companies know that we will not stand to be penalized for their short comings in properly managing their businesses! I will be in attendance at the meeting on August 22nd to make my voice heard. Please continue to let others know to make their voices heard as well. Together we can all make a difference and stand against the idea that such rate increases that we cannot afford will make a badly managed company better. Change begins at home and that change needs to begin there and not in my wallet!

Thank you,
Sheri Eppinger

Antonio Gill

From: Brian Rodricks [brian.rodricks@usa.net]
Sent: Monday, July 25, 2011 9:08 PM
To: Newman-Web; Burns-Web; Pierce-Web; Stump-Web; Kennedy-Web
Subject: W-01303A-10-0448 Arizona American Water Agua Fria District Request for a Rate Increase

I'm a resident of Surprise and am writing to relay my concern over the utilities request for a rate increase. First, there has not been any notice, the first I've heard about it was through an email from the City. I read my bill inserts and other mailings and there has been zero mention of this by Arizona American. Second, the amount of the requested increase must cause some alarm in how the company's costs could have increased that much and starts to raise alarm bells as to management and other things. I strongly urge you to vote against the increase.

Regards,
Brian Rodricks

Antonio Gill

From: Kelly Axelson [axelson617@hotmail.com]
Sent: Monday, July 25, 2011 7:18 PM
To: Newman-Web; Burns-Web; Pierce-Web; Stump-Web; Kennedy-Web
Subject: AZ American Water Rate Hike

To the Arizona Corporation Commission:

I am writing to express my outrage over this rate hike. I live in Surprise, and an increase of over 80% would be detrimental to my house-hold budget, and I cannot imagine what this will do to my HOA fees. With our local economic situation already being so precarious, it feels like we are being kicked while we are already down. I can understand rates of services going up from time to time, but 80%?

I was only aware of this information after a friend posted this on Facebook. When the water company mentions the "Agua Fria Water District" most of us believe that would be the Arrowhead area, or around the Agua Fria Freeway - not here in Surprise. It feels like the water company was trying to pull a dirty trick to get this passed without anyone really noticing. We as consumers need to be made aware of such a drastic measure, explained to why it is necessary, and what we will be gaining from this exponentially increased amount.

Unfortunately I find myself in a terrible position. If I don't like the prices, or services, at Fry's Foods, I can always go to Safeway. Sadly for me, the water company doesn't have to worry about competition. I have gone to the AZ American Water website, and can find no information about the raise in prices. Please take all of this into consideration when reviewing the AZ American Water proposal.

Thank you for your time,
Kelly Axelson

**Arizona American Water
W-01303A-10-0448
In Opposition**

July 18, 2011

Arizona Corporation Commission
Commissioners Wing
1200 West Washington
Phoenix, Arizona 85007-2996



Dear Commissioners:

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

I was not informed of the pending 80% rate increase by Arizona American Water several months ago when it was applied for. I was only made aware of this recently through my homeowner's association.

Not only will this water rate raise my personal water bill, it will also increase my homeowner's association dues.

I am a single person (77 years of age and not in the best of health) living on a limited fixed income and find it very difficult to pay all my bills. Everything is going up – except for my income. I haven't had a raise in Social Security for the last two years, with no raise forthcoming for next year.

I can understand Arizona American Water asking for an increase, but I feel 80% is not justified.

I would appreciate anything you can do to help the many seniors, like myself, who are on a fixed income.

Thanking you very much for your consideration, I remain,

Sincerely,

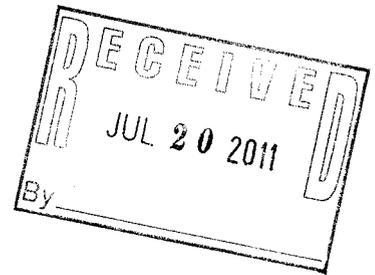
A handwritten signature in cursive script that reads "Sondra Lee Miller".

Sondra Lee Miller

Surprise, Arizona 85374

Arizona Corporation Commission Public Comment Form

1200 W Washington St - Phx, AZ 85007
(602) 542-4251



This form should be used for public comments pertaining to a specific pending case only. Please be sure to reference the appropriate docket number so your comments are filed in the docket promptly. Please use this link for complaints, inquiries or general inquiries.

RESET FORM

| | |
|--|---|
| YOUR NAME Patricia H Nadvornik | DATE 7/19/2011 |
| ADDRESS | PHONE (HOME) |
| CITY, STATE, ZIP Surprise, AZ 85374 | CELL PHONE |
| DOCKET YOU WISH TO COMMENT ON: Rate Increase | DOCKET NUMBER W-01303A-10-0448 |
| CASE OR UTILITY NAME Arizona American Water | YOUR POSITION ON THE DOCKET PRO <input type="radio"/> CON <input checked="" type="radio"/> OTHER <input type="radio"/> |
| E-MAIL ADDRESS | |

ENTER YOUR COMMENTS HERE:

Very alarmed at the % of the proposed rate increase. Not only for our personal bill, but our HOA will be affected along with the rates charged by our golf course. A triple increase.

In my opinion it is adding insult to injury for an already distressed economy.

Patricia H. Nadvornik

Antonio Gill

From: Shirley [shirjay5@cox.net]
Sent: Wednesday, July 20, 2011 12:37 PM
To: Newman-Web; Burns-Web; Pierce-Web; Stump-Web; Kennedy-Web
Subject: re: Proposed water rate increase in Surprise, AZ

Subject: Proposed water rate increase in Surprise, AZ

In these ridiculous difficult days of economic hardship, how could any responsible utility company even consider raising the cost of water 85% in the City of Surprise, AZ? Yet it seems to be exactly what American Water is proposing.

The city of Surprise overall is not a wealthy community. It has several senior communities and assisted living facilities, plus many young families just starting out with first homes. There are many of both groups already losing their homes because of lost jobs or investments. What this city does NOT need is more fiscal responsibilities shoved down their throats.

I am a widow, living alone and on low income status, thus making this extremely difficult for me and I know of others also.

Please consider voting NO on their proposal. Thank you.

**Shirley Temple
Resident of Arizona Traditions, Surprise, AZ.
Widow and low income status.**

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===== This footnote confirms that this email message has been scanned to detect malicious content. If you experience problems, please e-mail postmaster@azcc.gov
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July 16, 2011

Docket # W-01303A-10-0448

Gary Pierce, Commissioner
Arizona Corporation Commission
Commissioners Wing
1200 West Washington
Phoenix, AZ 85007-2996

Dear Commissioner Pierce:

We are writing to you to express our deep concerns over Arizona American Water's request to increase rates by approximately 80%. First of all we were never informed that we were even in the Agua Fria Water District. Shouldn't the water company have informed their customers of this? Given us a map as well as a notice of their pending request for a rate hike? We find it hard to understand that our HOA was the one who informed us of this rate request and not the water company. Shouldn't there be a public meeting held so that their customers could voice their concerns? Why hasn't the company explained why such a dramatic increase is necessary? It is not lost on us that they are requesting this rate increase at a time of year when a large number of Surprise residents are not in town.

We are retired and on a fixed income. With no increase in Social Security for the past two years, gasoline prices, electric bills, telephone, groceries going up we find this rate increase request incredulous. Our HOA dues will have an increase to cover these costs. This rate hike will also effect so many families struggling with mortgage payments and rising costs of living.

While we know there will never be a "rate reduction," shouldn't there be a fairer way to conduct their business in this economy? We strongly are opposed to this ridiculous increase.

Thank you for your consideration in this matter.

Sincerely,



Dan Cosetto



Dorothy Cosetto

Surprise, Arizona

Antonio Gill

From: jcoz13@cox.net
Sent: Tuesday, July 19, 2011 9:38 AM
To: Newman-Web; Burns-Web; Pierce-Web; Stump-Web; Kennedy-Web
Subject: Docket No. W-01303A-10-0448

Dear Commissioner,

We would like to take this opportunity to address the proposed rate increase by Arizona-American Water Co.

We first became aware of this rate increase when we received a notice from our HOA. To our knowledge, we were not notified by Arizona-American of the water treatment center that they built or the proposed rate increase. Also, we did not know that we were in the Agua Fria Water District or that this increase would affect us.

We live in Arizona Traditions, which is an adult community. We are on a fixed income and an increase of more than 80% would be a great financial hardship. We have not received a cost of living allowance through Social Security for a few years and our pension will not reflect a COLA for the next 30 years! Any increase will not only affect our own utility bills but will also be reflected in our HOA dues.

Another concern of ours deals with foreclosed homes, both in Arizona Traditions and in Surprise itself. Any financial institutions who are keeping up the landscaping of these homes will more than likely cut off the water. This will cause an even greater decline in property values and in the integrity of our neighborhoods.

We respectfully request that the Corporation Commission take into consideration the above concerns, which are shared by our neighbors and friends in our community, and by our family members who live in other subdivisions in Surprise. None of us can afford water bills that are increased by 82.89% and everyone must realize that water is not a luxury, it is a necessity of life.

Thank you for your attention to this matter.

Respectfully submitted,

Janice and Thomas Cosgrove

Surprise, AZ

Antonio Gill

From: Dimas, Eddie [Eddie.Dimas@FleetPride.com]
Sent: Tuesday, July 19, 2011 6:19 AM
To: Newman-Web; Burns-Web; Pierce-Web; Stump-Web; Kennedy-Web
Subject: Arizona American Water

I am sending you this e-mail in regards of Arizona American Water. They are requesting a rate hike more than 80%! I will not be able to attend the August 17th hearing. But I would like to send you my complaint on this hike. During this harsh economy making living very hard for all of us, I do not understand how anyone can expect us customers to pay even more? As this is going on, home owners are still losing their homes. This just doesn't make sense! Instead of passing their expense on to us, maybe they should start cutting spending on their end first! Arizona American Water should do a better job of announcing their planned rate hike? Let's do this right! Stop passing the over spending and bad decisions on to us! The Customers!

Thank You,
Eddie Dimas

Antonio Gill

From: Kay Novotney [skarlett@shentel.net]
Sent: Thursday, July 21, 2011 10:50 AM
To: Newman-Web; Burns-Web; Pierce-Web; Stump-Web; Kennedy-Web
Subject: AZ-American Water Rate Hike

Re: AZ American Water Rate Hike
Re: Docket No. W-01303A-10-0448

80% Rate Hike for our section of Agua Fria Water District

If you go along with the proposed obscene rate increase of 80% you should be ashamed . In today's economy young families and retired people can barely make it.This rate goes beyond making a profit and anyone that says yes to this might as well join the long list of greedy politicians that are sending our country into decline.

Antonio Gill

From: Megan Lenhart - 1180 [mlenhart@appleone.com]
Sent: Thursday, July 21, 2011 10:41 AM
To: Burns-Web; Newman-Web; Pierce-Web; Stump-Web; Kennedy-Web
Subject: American Water Rate Increase

Dear Chairman and Commissioners,

Recently my community was notified of the possible rate increase of 83% by Arizona American Water that currently supplies our drinking water. Without proper notice or language on our monthly water bills from AAW stating we were in the Agua Fria water district, the majority of us did not believe this would affect us. We were wrong, it does. With the proper education of the residents that AAW supplies water too, in the Agua Fria district, the burden of financing the water treatment plant should not be on the backs of the residents currently residing in this district.

There is a need for a water treatment plant to supply treated water for future growth. But the burden for this cost should be shared by all who will use it, not just current residents.

I am asking for this increase to be denied and other remedies to pay for the cost of the treatment plant be considered.

Thank you for your time.

Sincerely,

Megan Lenhart

Waddell, AZ

Antonio Gill

From: Gena Mace [genam140@qwestoffice.net]
Sent: Thursday, July 21, 2011 10:39 AM
To: Burns-Web; Newman-Web; Pierce-Web; Stump-Web; Kennedy-Web
Subject: American Water Rate Increase

Dear Chairman and Commissioners,

Recently my community was notified of the possible rate increase of 83% by Arizona American Water that currently supplies our drinking water. Without proper notice or language on our monthly water bills from AAW stating we were in the Agua Fria water district, the majority of us did not believe this would affect us. We were wrong, it does. With the proper education of the residents that AAW supplies water too, in the Agua Fria district, the burden of financing the water treatment plant should not be on the backs of the residents currently residing in this district.

There is a need for a water treatment plant to supply treated water for future growth. But the burden for this cost should be shared by all who will use it, not just current residents.

I am asking for this increase to be denied and other remedies to pay for the cost of the treatment plant be considered.

Thank you for your time.

Sincerely,

Gena Mace

Waddell, AZ 85355

Antonio Gill

From: wes-laine@q.com
Sent: Thursday, July 21, 2011 10:40 AM
To: Newman-Web; Burns-Web; Pierce-Web; stump-web@azcc.com; Kennedy-Web
Subject: Regarding AZ American Water Rate Hike Request

Dear Corporation Commission Members: Paul Newman, Brenda Burns, Gary Pierce, Bob Stump, Sandra D. Kennedy

As a resident of Surprise, Arizona and Arizona Traditions HOA, my wife and I were just recently advised of a request by AZ American Water, for a rate hike (of 86%!!!!) to be presented to you for ratification August 17th. My wife and I are in our 70's and on a fixed income.

One of the reasons for retiring to this location, was a stable environment in which to live, without having to be concerned about outrageous usury fees being imposed by those not concerned with the financial well-being of their senior citizens. Had we been aware of the possibility that our future could be jeopardized by costs over which we had no say or control, our decision processes would have been different.

Without adequate notification of increased fees and costs it is difficult to plan for those increases.

We were not aware that we were in the AguaFria Water District as the only name we had seen on our water bills is AZ American Water, and were not of aware of the possibility of potential increases until our HOA shared that information with us. With an 86% increase, we take a double hit as the HOA will also be required to raise our monthly dues to cover their increased water cost..

Please be reminded that your decisions greatly impact your fellow citizens, and especially those of us in a static financial position..

Sincerely, Wes & Elaine Stephens,

Antonio Gill

From: Randy Storr [rstorr140@qwestoffice.net]
Sent: Thursday, July 21, 2011 9:38 AM
To: Burns-Web; Newman-Web; Pierce-Web; Stump-Web; Kennedy-Web
Subject: American Water Rate Increase

Dear Chairman and Commissioners,

Recently my community was notified of the possible rate increase of @ 83% by Arizona American Water that currently supplies our drinking water. Without proper notice or language on our monthly water bills from AAW stating we were in the Agua Fria water district, the majority of us did not believe this would affect us. We were wrong, it does. With the proper education of the residents that AAW supplies water too, in the Agua Fria district, the burden of financing the water treatment plant should not be on the backs of the residents currently residing in this district.

There is a need for a water treatment plant to supply treated water for future growth. But the burden for this cost should be shared by all who will use it, not just current residents.

I am asking for this increase to be denied and other remedies to the pay for the cost of the treatment plant be considered.

Thank you for your time.

Sincerely,

Randy Storr

Waddell,

Antonio Gill

From: el.kworth@cox.net
Sent: Friday, July 22, 2011 1:23 PM
To: Pierce-Web
Subject: Surprise Az. Water rate increase

Dear Mr. Pierce,

My wife and I have been raising our family in Surprise AZ for almost ten years. We love living in Arizona and understand these are hard times for us all. People are barely making enough money to provide meals for their families let alone get all their monthly expenses taken care of. That being said, I am absolutely outraged that a rate increase on our water bills is even being considered. As it is, there are more and more people living paycheck to paycheck in this bad economy and allowing a utility company to increase our bill by 80% is unthinkable. I am asking you to please consider the effect this will have on many families struggling as it is to make end meet and the neighborhoods this will affect as the cost of living expenses become unreasonable.

Thank you for your time,
Mr. & Mrs. Richard Killingsworth

My husband and I were just made aware of an 80% rate hike proposal made by **Arizona American Water** which would substantially raise our personal home water rates, as well as cause an increase in our HOA monthly dues.

Being our elected official, we hope that you will support us in tempering such an increase. The majority of our community is made up of retirees and feels that such a large increase would greatly impact our fixed incomes. Those that are employed will also feel a strain on their budgets in these hard times.

Such a rate increase as proposed is totally uncalled for.

Thank you,

Patrick & Donna Cahill

Surprise, AZ 85374

Antonio Gill

From: georgene ramming [gramming@cox.net]
Sent: Thursday, July 21, 2011 9:26 PM
To: Pierce-Web
Subject: Arizona American Water Rate Increase

I was just notified that my water company is requesting a 83% rate increase. There is no way that they can consider that a reasonable rate increase. It is not like we have a choice of who we can get our water from. I ask you not to approve such a ridiculous request.

Arizona Corporation Commission
1300 West Washington Street
Phoenix, AZ 85007



Commissioners:

RE: Docket No. W-01303A=10-0448

I am opposed to the rate increase requested by Arizona American Water.

The Arizona Corporation Commission has jurisdiction over the quality of service and rates charged by public service utilities. By state law, public service utilities are regulated monopolies given the opportunity to earn a fair and reasonable return on their investments. What is fair and reasonable in any particular case has been and always will be open to debate in rate hearings before the Commission. Generally, the Commission tries to balance the customers' interest in affordable and reliable utility service with the utility's interest in earning a fair profit.

The rate increase requested by American is excessive and unwarranted. Unregulated companies do not have the luxury of the regulated utilities being able to pass on the costs of operations and investment. The effects of poor management decisions, changes in the economy, and consumer actions are borne by the stockholders and management is held ultimately accountable.

According to American Water, the economic downturn and management's decision to build the overbuilt and underutilized White Tank Water Treatment plant falls directly into the lap of ratepayers, while management and investors have no risk. The newly created Agua Fria Water District members are treated as an ATM to provide unlimited funding protect the stockholders of AAW from financial risk and release management from accountability.

AAW is a solvent, profitable organization, who in June 2011, touted a 5% increase in dividends over the last three years, \$212 million in increased revenue from rate case rate increases, (as of June 1, 2011) and a shareholder return in excess of 41%, double that of the S&P 500, and Down Jones Utilities indices from May 28, 2010 to May 31, 2011.

According to the company's SEC form 10k, American Water looks at the properties held as a "portfolio" meaning that an overall rate of return is achieved with some of the properties earning more than others, and long and short term investment horizons considered with their capital expenditure program.

A review of some 10 recent American Water rate cases across the country, shows rate increases of 4% to 16% translating to monthly average bill increases of \$3.46 to 6.42. This is a far cry from the proposed Arizona increase of 83% or \$25 per month!

At the very least, the Commission needs to continue these hearings at least until all affected ratepayers are informed and more analysis can be completed for public input.

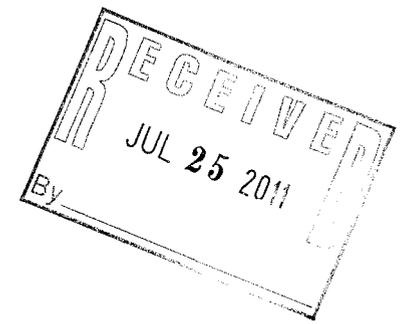
Sincerely,

Joyce M. Hladek

Surprise.

A handwritten signature in cursive script that reads "Joyce M. Hladek". The signature is written in black ink and is positioned to the right of the typed name.

Arizona Corporation Commission
1300 West Washington Street
Phoenix, AZ 85007



Commissioners:

RE: Docket No. W-01303A=10-0448

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At the very least, the Commission needs to continue these hearings at least until all affected ratepayers are informed and more analysis can be completed for public input.

Sincerely, *Michael & Kathleen Walsh*

Michael Walsh