

**SUN CITY CONDO OWNERS ASSOCIATION, INC.**

***Petition of Protest to the Arizona American Water***

***Proposed Sun City Water & Wastewater Rate Consolidation & Increase***

**Docket Nos. W-01303A-09-0343 and SW-01303A-09-0343**

Currently, Arizona-American Water Company's ("AZ American") rates are unique for each of its geographic districts. The existing rates reflect the differing cost to serve each geographic area. Rate consolidation is the process of bundling a group of geographical districts together and averaging the differing costs for each district into a single rate. Sun City has some of, if not the best water in the state, so this consolidation/bundling process is detrimental to Sun City as we will help pay for costs in other districts to treat their water that our water does not require. Additionally, as Sun City West experienced in its recent fight regarding this same issue, Property Owners and Residents Association ("PORA") representatives have stated that the consolidation is what stood in the way of getting any relief from the proposed increase. The proposal to consolidate these districts has been made by the Arizona Corporation Commission ("ACC") staff. RCSC has already informed the ACC and AZ American that they are adamantly opposed to this consolidation and you should all individually do the same.

The Arizona-American Water Company, Inc. filed an application with the ACC for permanent revenue increase for Sun City water and wastewater. Their application requests a 27.7% increase in water and a 40.8% increase in wastewater. Although RCSC has notified the ACC we oppose this increase, stating the fact that we are a non-profit organization that serves and is funded by the 27,931 residences of Sun City, this will have little effect unless the residents of Sun City do the same. Not only will the residents be affected by their individual increase in water and wastewater, they will also be affected by the increase to RCSC, which will have to be passed on in annual property assessments. In 2009, RCSC spent \$128,440 in water and sewer. This application by AZ American would increase RCSC expenses annually by approximately \$40,000 for water/wastewater. Recently ACC awarded APS a 10%-plus increase, which will raise RCSC electric costs by approximately \$100,000 this year. In 2008 and 2009, RCSC annual property assessments were increased by 4%; this provided only approximately \$350,000 in additional income to RCSC. The total of the utility increases would be 40% of this additional income and in 2010 there is no increase in annual property assessments to cover these additional costs.

***Sun City condominium associations with large green common areas will be extremely effected by this proposed rate consolidation and increase and are adamantly opposed.***

***Petition of Protest Against the Proposed Arizona American Water Rate Consolidation and Rate Increase***

<b>Signature</b>	<b>Printed Name</b>	<b>Street Address</b>
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