

# Commission will open water-bill case

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PARADISE VALLEY - The Arizona Corporation Commission has agreed to open a controversial rate case that sent water bills soaring for Paradise Valley and Scottsdale customers of the private Arizona American Water Co.

Commissioner Bill Mundell moved that the case be reopened and the commission voted to do so Wednesday.

Mundell said a conference would be held at 2 p.m. March 10 at which time a public hearing will be set. That hearing could come in April.

In July 2006, the commission, which regulates utilities, approved a three-part rate hike for Arizona American that included a new public-safety surcharge and one for high-end users. A main goal of the surcharges was to encourage conservation. The surcharges took effect in August 2006, causing water bills to rise dramatically.

Last fall, after hearing from irate residents and resort operators for a year, the Paradise Valley Town Council adopted a unanimous resolution asking that the rate case be reopened.

Mundell said the goal is to lower customers' monthly bills by amortizing the money collected over a longer period of time. He said the plan would still encourage conservation. He likened it to terms on a mortgage or car payment.

"The principle and the interest still have to be paid, but is spread out over a longer period of time so that we can reduce the rates," he said.

Councilman Brian Cooney long fought for the commission to reopen the case. He believes there has to be a more equitable way to pass the increases on to customers without spiking their bills. Cooney said he is cautiously optimistic.

Cooney said the town has to come up with a more tangible way to get residents to conserve.

"Hitting them in the pocketbook just doesn't work. It might work in some communities, but it doesn't work in PV. It's just the nature of the beast," Cooney said.

The town's water committee will meet at 4 p.m. Tuesday to discuss the commission's move and an education and water conservation plan. The meeting is at Paradise Valley Town Hall, 6401 E. Lincoln Drive.