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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
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IN THE MATTER OF THE APPLICATION OF  
ARIZONA-AMERICAN WATER COMPANY,  
INC., AN ARIZONA CORPORATION, FOR  
AUTHORITY TO IMPLEMENT ARSENIC  
COST RECOVERY MECHANISMS FOR ITS  
AGUA FRIA WATER, SUN CITY WEST  
WATER, HAVASU WATER, AND TUBAC  
WATER DISTRICTS.

Docket No. W-01303A-05-0280

IN THE MATTER OF THE APPLICATION OF  
ARIZONA-AMERICAN WATER COMPANY,  
INC., AN ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE CURRENT FAIR  
VALUE OF ITS UTILITY PLANT AND  
PROPERTY AND FOR INCREASES IN ITS  
RATES AND CHARGES BASED THEREON  
FOR UTILITY SERVICE BY ITS SUN CITY  
WEST WATER AND WASTEWATER  
DISTRICTS.

Docket No. WS-01303A-02-0867

IN THE MATTER OF THE APPLICATION OF  
ARIZONA-AMERICAN WATER COMPANY,  
INC., AN ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE CURRENT FAIR  
VALUE OF ITS UTILITY PLANT AND  
PROPERTY AND FOR INCREASES IN ITS  
RATES AND CHARGES BASED THEREON  
FOR UTILITY SERVICE BY ITS MOHAVE  
WATER DISTRICT AND ITS HAVASU  
WATER DISTRICT

Docket No. W-01303A-02-0869

**NOTICE OF FILING TESTIMONY  
SUMMARY**

1 IN THE MATTER OF THE APPLICATION OF  
2 ARIZONA-AMERICAN WATER COMPANY,  
3 INC., AN ARIZONA CORPORATION, FOR A  
4 DETERMINATION OF THE CURRENT FAIR  
5 VALUE OF ITS UTILITY PLANT AND  
6 PROPERTY AND FOR INCREASES IN ITS  
7 RATES AND CHARGES BASED THEREON  
8 FOR UTILITY SERVICE BY ITS ANTHEM  
9 WATER DISTRICT, ITS AGUA FRIA WATER  
10 DISTRICT, AND ITS ANTHEM/AGUA FRIA  
11 WASTEWATER DISTRICT.

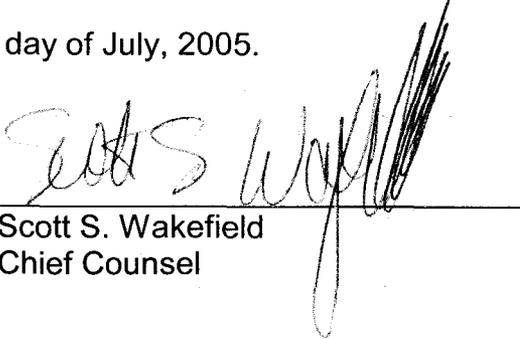
Docket No. WS-01303A-02-0870

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**NOTICE OF FILING TESTIMONY SUMMARY**

The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing the Testimony Summary of Marylee Diaz Cortez in the above-referenced matter.

RESPECTFULLY SUBMITTED this 21st day of July, 2005.

  
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Scott S. Wakefield  
Chief Counsel

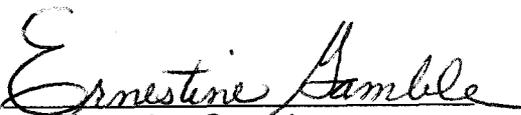
AN ORIGINAL AND NINETEEN  
COPIES of the foregoing filed this 21st day  
of July, 2005 with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

COPY of the foregoing hand delivered/  
mailed this 21st day of July, 2005 to:

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ARIZONA-AMERICAN WATER COMPANY  
DOCKET NO. W-01303A-05-0280 ET AL  
SUMMARY OF THE TESTIMONY OF MARYLEE DIAZ CORTEZ

The following is a summary of the issues set forth in the direct testimony of Ms. Diaz Cortez. A full discussion of these issues and the underlying theory and rationales for her recommendations are contained in the referenced document.

The testimony of Ms. Diaz Cortez is restricted to two issues: the Company's request for approval of an Arsenic Cost Recovery Mechanism (ACRM) and the Company's request for a hook-up fee for new customers in the Company's Havasu District.

Ms. Diaz Cortez recommends approval of the proposed ACRM mechanism provided the characteristics of the ACRM are the same as those recently approved by the Commission for Arizona Water Company in its Northern and Eastern Division rate cases. Ms. Diaz Cortez recommends that the Commission deny the requested hook-up fee for the Havasu District. Hook-up fees are appropriately used to fund future growth. Since the need for the arsenic treatment plant for the Havasu District is not growth related (i.e. the plant is necessary regardless of growth) a hook-up fee is inappropriate.