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THIS AMENDMENT:  
Arizona Corporation Commission  
Passed as amended by

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HEARING DIVISION'S PROPOSED AMENDMENT # 7 CORP COMMISSION  
DOCUMENT CONTROL

DATE/TIME PREPARED: January 8, 2003/2:30 p.m.

COMPANY: Sun City Water Company, et al. AGENDA ITEM NO. U-1

DOCKET NO. W-01656A-98-0577, et al. OPEN MEETING DATE: January 14 & 15, 2003

PAGE 4, LINE 20, INSERT:

"On May 15, 2002, a Recommended Opinion and Order was issued by the Administrative Law Judge. Exceptions were filed by RUCO and SCTA on May 24 and May 28, 2002, respectively. At the request of the Administrative Law Judge, Responses to the Exceptions were filed by AUIA on June 14, 2002, on June 21, 2002 by Arizona-American, and on June 24, 2002 by Staff.

This matter was initially scheduled for consideration at the July 11, 2002 Open Meeting. On July 3, 2002, Chairman Mundell filed a letter in the docket requesting that this case be pulled from the July 11, 2002 Open Meeting agenda in order "to obtain an independent analysis on the issue [raised in SCTA's Exceptions] of whether recharge operations at the Agua Fria facility would ultimately benefit the Sun Cities' aquifer." The letter directed Staff to secure "an independent hydrological analysis on this issue." The case was pulled from the July 11, 2002 Open Meeting agenda.

On July 16, 2002 a Procedural Conference was conducted to discuss how the record would be supplemented in accordance with the Chairman's letter. At the Conference, Staff was directed to contact the Arizona Department of Water Resources ("ADWR") with respect to providing an independent hydrological analysis regarding the benefits to the Sun Cities' aquifer from the Agua Fria Recharge Facility.

On July 23, 2002, the Director of ADWR submitted a letter to Chairman Mundell urging the Commission to approve the proposed GSP.

On July 26, 2002, Staff filed a Memorandum stating that it believed the questions raised in the Mundell letter could be quickly answered by a witness from either ADWR or CAWCD. However, Staff stated that the letter implicitly raised the additional questions of whether and when any benefit to the Sun Cities' aquifer could be expected to be substantial. To answer those questions, Staff stated that an independent hydrologist could require as much as a \$100,000 fee.

On August 8, 2002, SCTA filed a Response to Staff's Memorandum. SCTA stated that an independent hydrologist could be retained for under \$15,000 to conduct the analysis contemplated in the Chairman's letter. SCTA also stated that copies of hydrological models were available from ADWR at no cost. SCTA attached an affidavit from a hydrologist attesting to that claim.

By Procedural Order issued August 22, 2002, SCTA was directed to provide to all parties copies of the hydrological models it claimed were publicly available at no cost. The Procedural Order also scheduled an additional Procedural Conference for September 6, 2002.

At the September 6, 2002 Procedural Conference, a discussion was conducted regarding what procedural steps should be taken to resolve the allegations raised in SCTA's Exceptions, specifically regarding the Agua Fria Recharge Facility. At the conclusion of the Conference, Staff was directed to report back on the questions raised in the Mundell letter and SCTA was directed to report back regarding whether it intended to present an expert witness to support its allegations.

On September 19, 2002, Staff filed a Memorandum stating that it is not surprising that a hydrologic response is being detected as far as four miles south of the Agua Fria blow-off structure, because the recharge basins where the CAP water is being recharged are located up to five miles south of the blow-off structure. Staff also indicated that the Agua Fria Recharge Facility will ultimately provide a benefit to the Sun Cities' aquifer, but questioned when any benefit could be expected to occur and to what extent the aquifer would benefit.

On September 24, 2002, SCTA filed a pleading stating, among other things, that it had decided not to present a witness on the issue of the Agua Fria recharge benefits to the Sun Cities' aquifer.

Responses to SCTA's pleading were filed on October 2, 2002 by the CAP Task Force, on October 4, 2002 by Arizona-American, and on October 9, 2002 by Staff. The Responses urged the Commission to reject SCTA's request for further proceedings and to schedule the matter for Open Meeting based on the existing record.

On October 24, 2002, Chairman Mundell filed a letter stating that he was satisfied that his effort to slow down the process in this case had given all parties ample opportunity to present evidence supporting their respective positions. The letter further stated that he was "now prepared to schedule an Open Meeting so this matter can be voted on and resolved."

PAGE 16, LINE 7, DELETE: "with" and INSERT: "without"

PAGE 18, LINE 21, DELETE: "or" and INSERT: "of"