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AZ CORP COMMISSION  
DOCUMENT CONTROL

1 ARIZONA WATER COMPANY  
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7 FENNEMORE CRAIG  
8 A Professional Corporation  
9 Norman D. James (No. 006901)  
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11 3003 North Central Avenue  
12 Suite 2600  
13 Phoenix, Arizona 85012-2913  
14 Telephone: (602) 916-5000

15 Attorneys for Arizona Water Company

Arizona Corporation Commission  
**DOCKETED**

AUG 31 2001

DOCKETED BY *mal*

**BEFORE THE ARIZONA CORPORATION COMMISSION**

12 IN THE MATTER OF THE APPLICATION  
13 OF ARIZONA WATER COMPANY, AN  
14 ARIZONA CORPORATION, FOR  
15 ADJUSTMENTS TO ITS RATES AND  
16 CHARGES FOR UTILITY SERVICE  
17 FURNISHED BY ITS NORTHERN GROUP  
18 AND FOR CERTAIN RELATED  
19 APPROVALS.

Docket No. W-01445A-00-0962

**CORRECTION TO THE REJOINDER  
TESTIMONY OF RALPH J. KENNEDY**

20 Arizona Water Company hereby gives notice of a correction to the Rejoinder Testimony  
21 of Ralph J. Kennedy, filed August 29, 2001 in the above-entitled matter.

22 The correction concerns the Preliminary Notices of Value for Tax Year 2002 for the  
23 Company's Northern Group systems, discussed in Mr. Kennedy's rejoinder testimony on pages  
24 25-26. These notices of value were misidentified by Mr. Kennedy as Exhibit RJK-J4 on page 25,  
25 line 24, and the notices of value were inadvertently not attached at Tab 2.

26 A true copy of the notices of value are attached hereto and labeled RJK-J6. A new list of  
Mr. Kennedy's Rejoinder Exhibits is also attached. Mr. Kennedy will correct the text of his  
rejoinder testimony to provide the corrected exhibit label when he testifies during the hearing on  
September 5, 2001.

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DATED this 31st day of August, 2001.

FENNEMORE CRAIG

By 

Norman D. James  
Jay L. Shapiro  
3003 North Central Avenue  
Suite 2600  
Phoenix, AZ 85012  
Attorneys for Applicant  
Arizona Water Company

An original and 10 copies of the foregoing, and attached documents were delivered this 31st day of August, 2001, to:

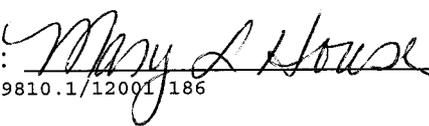
Docketing Supervisor  
Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

A copy of the foregoing, delivered this 31st day of August, 2001, to:

Stephen Gibelli  
Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Teena Wolfe, Attorney  
Legal Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Daniel W. Pozefsky, Attorney  
Residential Utility Consumer Office  
2828 N. Central Ave., Suite 1200  
Phoenix, AZ 85004

By:   
1219810.1/12001186

## Rejoinder Exhibits

**TAB 1** Final Rate Base And Adjusted Operating Income Positions

### **TAB 2**

Exhibit RJK-J1 Response To Staff Data Request CSB7-32 Provided On April 9, 2001

Exhibit RJK-J2 Company's Investment In Month End CWIP Balances From January 1997 through June 2001.

Exhibit RJK-J3 Corrected Proposed Property Tax Adjustment Under New DOR Method

Exhibit RJK-J4 Weighted Cost Of Debt And Weighted Cost Of Capital

Exhibit RJK-J5 Schedule EL-11A from The Company's Lead/Lag Study

Exhibit RJK-J6 Department Of Revenue Preliminary Notices Of Value Tax Year 2002

**ARIZONA DEPARTMENT OF REVENUE  
PROPERTY TAX DIVISION**

1600 West Monroe, Room 820, Phoenix, Arizona 85007

Telephone: (602) 542-3529

Facsimile: (602) 542-5667

**PRELIMINARY NOTICE OF VALUE**

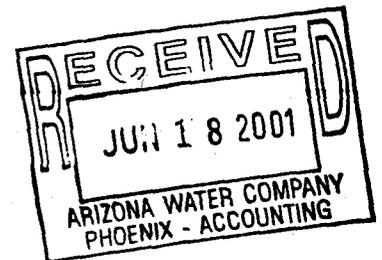
**TAX YEAR 2002**

June 14, 2001

55-515  
ARIZONA WATER CO - LAKESIDE  
RALPH J KENNEDY  
P O BOX 29006  
PHOENIX, AZ 85038

The PRELIMINARY FULL CASH VALUE of your  
operating property located in Arizona is:

**\$3,520,000**



If the property owner disagrees with the PRELIMINARY FULL CASH VALUE stated above, an informal conference to discuss the value may be requested on or before July 15, 2001 .

If an informal conference is requested, the request must be in writing and must list who will be attending the conference and what issues are to be discussed. The property owner must provide supporting documentation to justify his/her opinion of value no later than the day of the conference.

This PRELIMINARY FULL CASH VALUE is subject to change based on additional information provided by the taxpayer or otherwise discovered by the Department prior to August 31, 2001 .

Final Notices of Value will be mailed on or before: August 31, 2001

The valuation date for the above value is: January 1, 2001

However, the value will not be used for property tax purposes until tax year: 2002

Taxes will be due as follows:

First half due: October 1, 2002

Second half due: March 1, 2003

If you have questions regarding the notice, please contact the Centrally Valued Property Unit at (602) 542-3529.

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PROPERTY TAX DIVISION**

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**PRELIMINARY NOTICE OF VALUE**

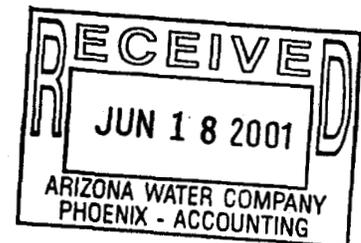
**TAX YEAR 2002**

June 14, 2001

55-513  
ARIZONA WATER CO - OVERGAARD  
RALPH J KENNEDY  
P O BOX 29006  
PHOENIX, AZ 85038

The PRELIMINARY FULL CASH VALUE of your  
operating property located in Arizona is:

**\$2,021,000**



If the property owner disagrees with the PRELIMINARY FULL CASH VALUE stated above,  
an informal conference to discuss the value may be requested on or before July 15, 2001 .

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Second half due: March 1, 2003

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PROPERTY TAX DIVISION**

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Telephone: (602) 542-3529 Facsimile: (602) 542-5667

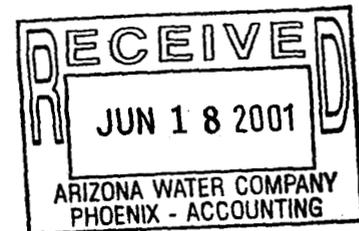
**PRELIMINARY NOTICE OF VALUE**  
TAX YEAR 2002

June 14, 2001

55-503  
ARIZONA WATER CO - SEDONA  
RALPH J KENNEDY  
P O BOX 29006  
PHOENIX, AZ 85038

The PRELIMINARY FULL CASH VALUE of your  
operating property located in Arizona is:

**\$4,280,000**



If the property owner disagrees with the PRELIMINARY FULL CASH VALUE stated above,  
an informal conference to discuss the value may be requested on or before July 15, 2001 .

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information provided by the taxpayer or otherwise discovered by the Department prior  
to August 31, 2001 .

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The valuation date for the above value is: January 1, 2001

However, the value will not be used for property tax purposes until tax year: 2002

Taxes will be due as follows:

First half due: October 1, 2002

Second half due: March 1, 2003

If you have questions regarding the notice, please contact the Centrally Valued Property Unit  
at (602) 542-3529.

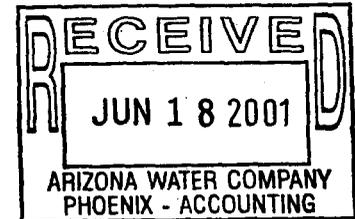
**ARIZONA DEPARTMENT OF REVENUE  
PROPERTY TAX DIVISION**

1600 West Monroe, Room 820, Phoenix, Arizona 85007  
Telephone: (602) 542-3529 Facsimile: (602) 542-5667

**PRELIMINARY NOTICE OF VALUE**  
TAX YEAR 2002

June 14, 2001

55-505  
ARIZONA WATER CO - PINWOOD  
RALPH J KENNEDY  
P O BOX 29006  
PHOENIX, AZ 85038



The PRELIMINARY FULL CASH VALUE of your  
operating property located in Arizona is:

**\$1,584,000**

If the property owner disagrees with the PRELIMINARY FULL CASH VALUE stated above,  
an informal conference to discuss the value may be requested on or before July 15, 2001 .

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PROPERTY TAX DIVISION**

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Telephone: (602) 542-3529

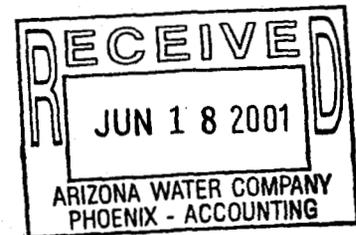
Facsimile: (602) 542-5667

**PRELIMINARY NOTICE OF VALUE**

**TAX YEAR 2002**

June 14, 2001

55-504  
ARIZONA WATER CO - RIMROCK  
RALPH J KENNEDY  
P O BOX 29006  
PHOENIX, AZ 85038



The PRELIMINARY FULL CASH VALUE of your operating property located in Arizona is:

**\$661,000**

If the property owner disagrees with the PRELIMINARY FULL CASH VALUE stated above, an informal conference to discuss the value may be requested on or before July 15, 2001 .

If an informal conference is requested, the request must be in writing and must list who will be attending the conference and what issues are to be discussed. The property owner must provide supporting documentation to justify his/her opinion of value no later than the day of the conference.

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Second half due: March 1, 2003

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