

W-01868A-06-0010
W-02235A-06-0010
W-02316A-06-0010
W-02230A-06-0010
W-01629A-06-0010
W-02240A-06-0010

January 26, 2007

Mr. Ernest Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

ORIGINAL

Stephen A Cockrum
5328 Corral Drive
Hereford, AZ 85015
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Arizona Corporation Commission
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Re: Possible use of the Small Rural Water System Fund at the Water Infrastructure Financing Authority to satisfy a portion of the ASUA claim for interim management fees; Docket Nos. W-01646A-06-0010 et al.

Dear Mr. Johnson:

I have read the letter addressed to you from Commissioner Mayes dated January 18, 2007 with interest. Having been granted intervention in the above referenced docket, I feel compelled to comment on the content of this letter from Commissioner Mayes.

Speaking for myself and I am sure the vast majority of the other 1,300 plus ratepayers of the seven McLain water entities, a great thanks and debt of gratitude is owed to Commissioner Mayes for her tireless work on our behalf for the past number of years as we, the Commission, other agencies of the State, and the United States Bankruptcy Court has struggled through this very complex and convoluted process.

I congratulate Commissioner Mayes for taking the position of attempting to find a solution to the settlement of the "claim" submitted by ASUA that will not further penalize, or impose additional costs upon the current and/or future ratepayers of these systems. I am hopeful that you either have, or will, embrace a similar position concerning this matter, even though it is additionally my desire that any use of this fund will be viewed as a solution of last resort.

The matter of this "claim" reverts to a least July of 2006 (I refer to the Gonzalez letter to Judge Hollowell) and the subsequent amount of this "claim" has changed a number of times. I remain convinced that there are a number of very serious questions and issues that must be answered and/or addressed prior to the settlement of any such claim. I will not take the time to address the individual questions or concerns in this letter but will certainly do so when the time is otherwise appropriate.

I remain convinced that, under the circumstances, and bearing in mind all of the events having brought us to this point, the **only** legitimate and proper venue for the adjudication of this "claim" is under the jurisdiction of the United States Bankruptcy Court; this "claim" to be filed and considered as an "administrative" post petition claim in the McLain bankruptcy proceeding. I understand the Commission concerns about their future ability to seek interim management when it is called for in an instance where a prior interim manager may feel that they have not been made "whole". I would point out that the language contained within the original interim

management agreement dated in May of 2004 was quite clear in addressing the matter of the interim manager recovering the appropriate amount of the granted fees; a portion of that language reads as follows,..."There is no contract with ASUA and no compensation due ASUA from the Division, the Commission or the State of Arizona as a consequence of operating the Water Companies".

Should the need arise; I will be more than happy to address this issue in much greater detail. I appreciate your timely consideration of this very crucial matter.

Sincerely,

A handwritten signature in black ink that reads "Steve Cockrum". The signature is written in a cursive, flowing style.

Steve Cockrum
Hereford, AZ

Cc: The Honorable Jeff Hatch-Miller, Chairman
The Honorable Kristin Mayes, Commissioner
The Honorable William Mundell, Commissioner
The Honorable Mike Gleason, Commissioner
The Honorable Gary Pierce, Commissioner
Mr. Brain McNeil, Executive Director, ACC
Mr. Chris Kempley, Chief Legal Counsel, ACC
Docket Control, Arizona Corporation Commission