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ARIZONA CORPORATION COMMISSION

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clmc

March 26, 2007

Jennifer Alexandre
6110 East Huntress Drive
Paradise Valley, Arizona 85253

Re: Reconsideration of Decision No. 68858
(Docket Nos. W-01303A-05-0405 and W-01303A-05-0910)

Dear Ms. Alexandre:

Thank you for your letter of March 10, 2007, which included petitions bearing the signatures of many people asking the Arizona Corporation Commission to reconsider the rates that it approved for Arizona-American Water Company's Paradise Valley Water District in Decision No. 68858. Thank you also for your follow-up letter dated March 17, 2007.

As you know, the Decision authorized to the Company to collect a "High Block" surcharge, as well as the "Public Safety" surcharge, which will fund projects needed to satisfy fire flow requirements imposed by the Town of Paradise Valley.

As you noted in your March 17 letter, I offered an amendment at the July 2006 Open Meeting which would have eliminated the Public Safety surcharge, thereby preventing the Company from collecting money from its customers to fund fire flow improvements required by the Town. Unfortunately, my amendment failed because I was the only Commissioner to vote for it.

As of this time, no Commissioner has formally proposed that we commence a proceeding under A.R.S. § 40-252 to amend Decision No. 68858. If two of my fellow Commissioners were to offer such a proposal, I would be willing to consider such a proceeding.

Sincerely,

Mike Gleason
Chairman

Arizona Corporation Commission

DOCKETED

MAR 26 2007

DOCKETED BY	<i>me</i>
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