

**COMMISSIONERS**  
MIKE GLEASON - Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

ORIGINAL



0000079093

Phone: (602) 542-7143  
Fax: (602) 542-0765  
E-mail: kmayes@azcc.gov

0-00

**ARIZONA CORPORATION COMMISSION**

November 19, 2007

Chairman Mike Gleason  
Commissioner William A. Mundell  
Commissioner Jeff Hatch-Miller  
Commissioner Gary Pierce

**Re: Reconsideration of Decision No. 68858; Arizona-American Water Company, Paradise Valley District; Docket Nos. W-01303A-05-0405 and W-01303A-05-0910**

Dear Colleagues:

I have reviewed the various letters filed in this docket requesting that the Commission commence a proceeding pursuant to ARS § 40-252 to reconsider Decision No. 68858, specifically to address the recovery period for fire-flow improvements that were originally requested by the Town of Paradise Valley.

The Commission's decision not to amortize the fire-flow improvements over 30 to 40 years has clearly caused rate shock for many Paradise Valley customers.

Therefore, after much consideration of this matter, I am amenable to a reconsideration of Decision No. 68858 pursuant to ARS § 40-252 to reconsider the amortization period for fire-flow improvements. I am particularly interested in addressing modifications of Decision No. 68858 that will result in benefits for residential customers.

I would encourage the Parties, including the Company, Staff, RUCO, the Town of Paradise Valley, and any intervenors, to confer on these issues prior to a hearing in this matter so as to properly limit the scope of the proceedings.

I look forward to discussing this with you at an upcoming Commission Staff Meeting.

Sincerely,

Kris Mayes  
Commissioner

Cc: Dean Miller  
Ernest Johnson  
Chris Kempley  
Lyn Farmer  
Rebecca Wilder  
Parties to the Docket

Arizona Corporation Commission  
**DOCKETED**

NOV 20 2007

DOCKETED BY *nr*

RECEIVED  
2007 NOV 20 A 9:44  
AZ CORP COMMISSION  
DOCKET CONTROL