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JAN 22 2008

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HOUSE OF REPRESENTATIVES
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FOR IMMEDIATE RELEASE FROM BARBARA MCGUIRE
ARIZONA STATE REPRESENTATIVE DISTRICT 23 - (D)

Arizona Corporation Commission
DOCKETED

JAN 22 2008

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January 21, 2008

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SW-04305A-05-0086
SW-04305A-05-0087

ACC Agrees to McGuire Request for New San Manuel Coronado Utility Hearing Feb. 6; BHP Rejects Idea

Phoenix - On January 17, in a letter, Arizona Corporation Commission (ACC) spokesman John LeSeur informed LD23 State Representative Barbara McGuire-(d) of Kearny that on **February 6 at 6pm, at the San Manuel High School**, there will be another hearing about the Coronado Utility waste and water system.

McGuire says "the ACC with now a sufficient number of Commissioners agreeing to hold another hearing could result in lower rates paid by subscribers of the former BHP (the mining company) water and waste treatment operation, now the private Coronado Utility company. It is worth it for customers of this utility to go to the new **February 6 hearing** and press their case."

A recent survey of the residents of San Manuel according to McGuire shows that these are retirees on a fixed income with a 2 to 4 person household. McGuire asserts "It is the responsibility of society including business and government to come together to protect the vulnerable population from hardship. I am glad to see this change of heart from the Commissioners to

conduct a new hearing. Life is hard enough for the vulnerable having to choose between food, medicine and now water and waste disposal. These are basic things, they must be workable."

Referring to conversations with the Arizona Corporation Commissioners, District 23 State Representative Barbara McGuire said, "while it maybe true the Coronado Utility Company system in San Manuel is in need of money to comply with State regulations, I agree with Commissioner Kris Mayes in spirit that there could be remedy to the rate payers given the extraordinary circumstances, and it might consist of a mix of the following as I interpret them, including,

1. change the capital structure to provide livable debt servicing (within the rate the customers pay),
2. require BHP to help defray the Company's costs (given the relative capacity to do so, the sale assumptions on both sides, the legalities of the parties to do what they did in what transpired), for example.
3. the company should be required to establish a low-income assistance fund to supplant the rate increase,
4. allow a fourth tier or phase-in of the rates,
5. make a determination on equitable billings and/or
6. other strategies.

In a January 10, 2008 email to ACC Chairman Mike Gleason, BHP Billiton Southwest Copper for BHP Copper Inc., President Ben Wichers says "we took an equity position in the new plant," ... "the continued ...hearings will just keep stirring the pot...and not lead to positive outcome for the residents of San Manuel."

McGuire further commented, "given BHP's statement against further hearings, with regard to the second enumerated item of seeking post-facto cost participation by BHP Billiton, another step might be to refer to Attorney General Terry Goddard to examine the sale that took place of BHP's waste

and water plant to Coronado Utilities and to make a determination to the legal aspects of the sale, the capacities and responsibilities of the parties to act in certain roles and the relative remedial obligations of the parties, if any.”

In a docket filed July 25, 2007 about the May 2 hearing in San Manuel, Commissioner Gary Pierce in an ACC docket states that he was not on the Commission when Decision No. 68608 regarding the matter was rendered, however, he encouraged other colleagues on the ACC to re-examine the decision previous adverse decision made by the ACC via A.R.S. 40-252.

Representative McGuire is telling residents of San Manuel to contact the Arizona Corporation Commission and comment or ask to speak at the upcoming new hearing "and this hearing will hopefully result in an order for the formulated relief to customers of Coronado Utility (wastewater treatment) in San Manuel, I am grateful to the ACC for agreeing to the new hearing. We can resolve this contentious issue with cooperative efforts."