

THIS AMENDMENT:

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2008 MAY -2 P 3:33
 HATCH-MILLER PROPOSED AMENDMENT # 1

AZ CORP COMMISSION
 DOCKET CONTROL May 2, 2008 / 2:30 pm

COMPANY: Arizona American Water Company AGENDA ITEM NO. U-19

DOCKET NO. W-01303A-07-0209 OPEN MEETING DATE: May 6 & 7, 2008

Page 36, line 1 – Page 37, line 16

Beginning at Page 36, line 1 DELETE through Page 37, line 16 and INSERT:

“ Our experience with considering major construction projects outside the context of a rate case teaches us that often substantial unintended adverse consequences can result from implementing surcharges such as the FCRM. Cost recovery mechanisms such as the FCRM should only be implemented in extraordinary circumstances. We do not find that the proposed fire flow improvement project warrants the extraordinary rate making treatment being proposed by the Company, Staff and Youngtown. Consequently, we deny the request to implement the FCRM. Our finding on the merits of the FCRM, however, does not affect how the Commission would treat the capital improvements if the Company constructed them voluntarily and seeks their inclusion in rate base in a rate case.”

Page 41, lines 1 – 22

Beginning with line 1 DELETE through line 22, and INSERT:

“39. It is not in the public interest to recover the cost of the proposed fire flow improvement projects by means of the FCRM.”

“40. We do not make any determination at this time whether the proposed fire flow capital improvements would be “used or useful” or how the Commission would treat such improvements in the context of a rate case.”

Re-number Findings of Fact accordingly

Arizona Corporation Commission
DOCKETED

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Page 43, lines 4 – 9

Beginning with Page 43, line 4 DELETE through line 9 and INSERT

“6. Implementing the proposed FCRM is not in the public interest.”

Re-number Conclusions of Law accordingly

Page 46, line 4 through Page 47, line 2

Beginning with Page 46, line 4 DELETE through Page 47, line 2

INSERT:

“IT IS FURTHER ORDERED that the request to implement the FCRM is denied.”

Page 47, lines 4-6

Beginning at “, and the fourth proposed step . . .” through line 6.