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RICHARD L. SALLQUIST

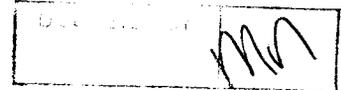
PHONE (480) 839-5202
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E-MAIL dick@sd-law.com

October 14, 2008

Ms. Kay Kilger
Arizona Corporation Commission
Docket Control
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

OCT 14 2008



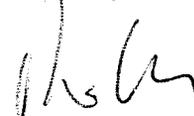
Re: H2O Inc.; Docket No. W-02234A-07-0557; Compliance Filing

Dear Ms. Kilger:

Attached please find the original and fifteen (15) copies of the Affidavit of Publication and the Affidavit of Mailing as required in the JULY 30, 2008 Procedural Order in the Subject Docket.

In the event you have any questions regarding this matter, please do not hesitate to call the undersigned.

Sincerely,


Richard L. Sallquist
For the Firm

cc: Hearing Division
Legal Division
Utilities Division
Don Schnepf

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AZ CORP COMMISSION
DOCKET CONTROL

Affidavit of Publication

STATE OF ARIZONA

COUNTY OF PINAL

} ss.

PUBLIC NOTICE OF THE HEARING ON THE APPLICATION OF H2O, INC. FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PROPERTY AND FOR AN INCREASE IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICES.

(Docket No. W-02234A-07-0557)

On October 1, 2007, H2O, Inc. ("H2O" or "Company") filed a rate application with the Arizona Corporation Commission ("Commission"). H2O's application, as revised, proposes an annual revenue decrease of approximately \$257,614, or 7.62 percent below current revenues. For average consumption (8,334 gallons per month) residential customers, H2O's proposal would decrease monthly rates by 9.05 percent. The actual percentage rate change for individual customers would vary depending upon the type and quantity of service provided.

The Commission's Utilities Division Staff ("Staff") is in the process of auditing and analyzing the application, and has not yet made any recommendations regarding H2O's proposed rates. The Commission will determine the appropriate relief to be granted based on the evidence presented by the parties. The Commission is not bound by the proposals made by H2O, Staff, or any intervenors. Therefore, the final rates approved by the Commission may be higher or lower than the rates requested by H2O.

How You Can View or Obtain a Copy of the Rate Proposal

Copies of the application and proposed rates are available from H2O at 41502 N. Schnepf Road, Queen Creek, Arizona 85242, between 8:00 and 12:00 pm, and 1:00 to 4:30pm, Monday thru Friday, and at the Commission's Docket Control Center at 1200 West

orms/public_comment.pdf. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission no later than November 14, 2008, and send a copy of the motion to H2O or its counsel and to all parties of record. Your motion to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any party upon whom service of documents is to be made, if not yourself;

2. A short statement of your interest in the proceeding (e.g., a customer of H2O, a shareholder of H2O, etc.); and

3. A statement certifying that you have mailed a copy of the motion to intervene to H2O or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before November 14, 2008. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, enti-

DONOVAN M. KRAMER SR. first being duly sworn deposes and says: That he is a native born citizen of the United States of America, over 21 years of age, that he is publisher of the Florence Reminder and Blade-Tribune, a weekly newspaper published at Florence, Pinal County, Arizona, on Thursday of each week; that a notice, a full, true and complete printed copy of which is hereunto attached, was printed in the regular edition of said newspaper, and not in a supplement thereto, for ONE consecutive issues the first publication thereof having been on the 25TH

day of SEPTEMBER A.D., 2008

Second publication _____

Third publication _____

Fourth publication _____

Fifth publication _____

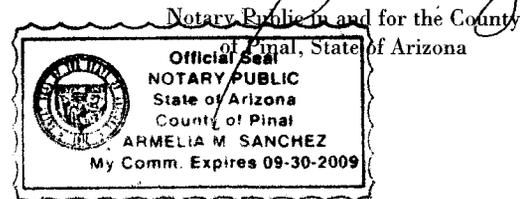
Sixth publication _____

FLORENCE REMINDER AND BLADE-TRIBUNE

By Donovan M. Kramer SR.
DONOVAN M. KRAMER SR., Publisher

Sworn to before me this 29th
day of September A.D., 2008

Armelia M. Sanchez



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Richard L. Sallquist
SALLQUIST, DRUMMOND & O'CONNOR, P.C.
4500 S. Lakeshore Drive, Suite 339
Tempe, Arizona 85282
Telephone: (480) 839-5202
Fax: (480) 345-0412
Attorneys for H2O, Inc.

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE) DOCKET NO. W-02234A-07-0557
APPLICATION OF H2O, INC., AN)
ARIZONA CORPORATION, FOR A) **AFFIDAVIT OF MAILING**
DETERMINATION OF THE)
CURRENT FAIR VALUE OF ITS)
UTILITY PROPERTY AND FOR AN)
INCREASE IN ITS WATER RATES)
AND CHARGES FOR UTILITY)
SERVICES)

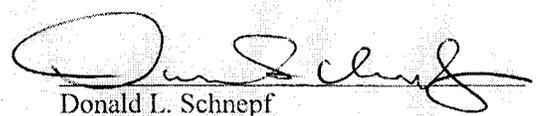
STATE OF ARIZONA)
County of Pinal)

The undersigned being first duly sworn deposes and says as follows:

1. I am Donald S. Schnepf, President of H2O.Inc. My business address is 41502 North Schnepf Road, Queen Creek, Arizona 85242.

2. On or about September 30, 2008, I caused to be mailed to every customer of record as of that date, the notice of the Company's Rate Application in the form attached hereto as Attachment One.

Further affiant sayeth not.


Donald L. Schnepf

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SUBSCRIBED AND SWORN to before me this 14th day of October, 2008, by Donald S.

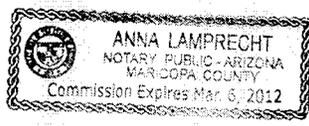
Schnepf.

Anna Lamprecht

Notary Public

My Commission Expires:

March 6, 2012



**PUBLIC NOTICE OF THE HEARING ON THE APPLICATION OF
H2O, INC. FOR A DETERMINATION OF THE CURRENT FAIR VALUE
OF ITS UTILITY PROPERTY AND FOR AN INCREASE IN ITS WATER
RATES AND CHARGES FOR UTILITY SERVICES.**
(Docket No. W-02234A-07-0557)

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Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **March 9, 2009, at 10:00 a.m.** at the Commission's offices, Hearing Room #1, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. W-02234A-07-0557 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to <http://www.azcc.gov/divisions/utilities/forms/publiccomment.pdf>. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000.

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ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Linda Hogan, E-mail: Lhogan@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.