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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS AGUA FRIA WATER DISTRICT, HAVASU WATER DISTRICT, MOHAVE WATER DISTRICT, PARADISE VALLEY WATER DISTRICT, SUN CITY WEST WATER DISTRICT, AND TUBAC WATER DISTRICT.

DOCKET NO. W-01303A-08-0227

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS MOHAVE WASTEWATER DISTRICT.

DOCKET NO. SW- 01303A-08-0227

**NOTICE OF FILING
AFFIDAVIT OF CUSTOMER NOTICE**

1 Arizona-American Water Company ("Arizona-American"), the applicant in the above-
2 captioned dockets hereby files an Affidavit of Customer Notice.

RECEIVED
2008 DEC 10 10 15
ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission
DOCKETED
DEC 10 2008

DOCKETED BY

1 RESPECTFULLY SUBMITTED on December 10, 2008.
2
3

4 
5 _____
6 Craig A. Marks
7 Craig A. Marks, PLC
8 10645 N. Tatum Blvd
9 Suite 200-676
10 Phoenix, Arizona 85028
11 (480) 367-1956
12 Craig.Marks@azbar.org
13 Attorney for Arizona-American Water Company
14

15 **Original** and 15 copies **filed**
16 on December 10, 2008, with:

17
18 Docket Control
19 Arizona Corporation Commission
20 1200 West Washington
21 Phoenix, Arizona 85007
22

23 **Copies** of the foregoing **delivered**
24 on December 10, 2008, to:

25
26 Teena Wolfe, Administrative Law Judge
27 Hearing Division
28 Arizona Corporation Commission
29 1200 West Washington St.
30 Phoenix, Arizona 85000
31

32 Ernest Johnson, Director
33 Utilities Division
34 Arizona Corporation Commission
35 1200 West Washington St.
36 Phoenix, Arizona 85007
37

38 Janice Alward, Chief Counsel
39 Legal Division
40 Arizona Corporation Commission
41 1200 West Washington St.
42 Phoenix, Arizona 85007
43

1 **Copies of the foregoing mailed**
2 on December 10, 2008, to:

3 Daniel W. Pozefsky, Chief Counsel
Residential Utility Consumer Office
1110 West Washington Street
Suite 220
Phoenix, Arizona 85007

Jeff Crockett
Robert Metli
SNELL & WILMER
One Arizona Center
400 E. Van Buren Street
Phoenix, AZ 85004-2202

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Franklyn D. Jeans
Beaus Gilbert PLLC
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Scottsdale, Arizona 85251

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Phoenix, Arizona 85004

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Ft. Mohave, Arizona 86426-6712

Dennis Behmer
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Fort Mohave, AZ 86426-6724

Nicholas Wright
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Ann Robinett
1984 E. Desert Greens Lane
Fort Mohave, AZ 86426-6724

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Betty Newland
2000 Crystal Drive
Fort Mohave, AZ 86426-8816

Lance Ryerson
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Fort Mohave, AZ 86426-8883

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Fort Mohave, AZ 86426-8862

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1980 E. Desert Greens Drive
Fort Mohave, AZ 86426

Mike Kleman
593 1 S. Desert Lakes Drive
Fort Mohave, AZ 86426-9 105

Boyd Taylor
1965 E. Desert Greens Drive
Fort Mohave, AZ 86426-8884

Keith Doner
1964 Sunset Drive
Fort Mohave, AZ 86426-6733

Hallie McGraw
1976 Sunset Drive
Fort Mohave, AZ 86426-6733

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1930 E. Desert Greens Drive
Fort Mohave, AZ 86426

Wilma E. Miller
19 15 E. Desert Greens Drive
Fort Mohave, AZ 86426-8802

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Jacquelyn Valentino
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Fort Mohave, AZ 86426-9 105

Louis Wilson
1960 Fairway Drive
Fort Mohave, AZ 86426-8873

Ikuko Whiteford
1834 Fairway Bend
Fort Mohave, AZ 86426-6726

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By: 
Courtney Appelhans

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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DOCKET NO. W-01303A-08-0227

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DOCKET NO. SW- 01303A-08-0227

AFFIDAVIT OF CUSTOMER NOTICE

Affidavit of Barry Pawelek

1
2 1. My name is Barry Pawelek and I am employed by American Water as the
3 Customer Communications Manager for its Western Area. My business address is American
4 Water, 303 H Street, Suite 250, Chula Vista CA 91910.

5 2. I am submitting this affidavit on behalf of Arizona-American Water Company
6 (“Arizona-American”), the applicant in the above-captioned dockets. Arizona-American is also
7 part of American Water’s Western Area.

1 3. As part of my duties I reviewed the August 8, 2008, Procedural Order in the
2 above-captioned dockets concerning its requirement for Arizona-American to mail notice of the
3 proposed rate increases to its customers as part of its October 2008 billing cycle.

4 4. Exhibit A to this Affidavit is a copy of the customer notice I caused to be mailed
5 to Arizona-American's customers in its Agua Fria Water District as a self mailer in October,
6 2008.

7 5. Exhibit B to this Affidavit is a copy of the customer notice I caused to be mailed
8 to Arizona-American's customers in its Havasu Water District as a self mailer in October, 2008.

9 6. Exhibit C to this Affidavit is a copy of the customer notice I caused to be mailed
10 to Arizona-American's customers in its Mohave Water District as a self mailer in October, 2008.

11 7. Exhibit D to this Affidavit is a copy of the customer notice I caused to be mailed
12 to Arizona-American's customers in its Paradise Valley Water District as a self mailer in
13 October, 2008.

14 8. Exhibit E to this Affidavit is a copy of the customer notice I caused to be mailed
15 to Arizona-American's customers in its Sun City West Water District as a self mailer in October,
16 2008.

17 9. Exhibit F to this Affidavit is a copy of the customer notice I caused to be mailed
18 to Arizona-American's customers in its Tubac Water District as a self mailer in October, 2008.

19 10. Exhibit G to this Affidavit is a copy of the customer notice I caused to be mailed
20 to Arizona-American's customers in its Mohave Wastewater District as a self mailer in October,
21 2008.

[Signature]
Barry Pawelek

STATE of California)

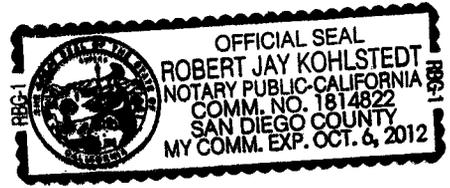
) ss.

COUNTY of San Diego)

Subscribed and sworn before me on November 25, 2008.

Name: Robert Jay Kohlstedt [Signature]

My Commission expires: Oct 6 2012



Summary

On May 2, 2008, Arizona-American Water Company, Inc. ("Arizona-American" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for permanent revenue increases for its following Districts: Agua Fria Water District, Havasu Water District, Mohave Water District, Paradise Valley Water District, Sun City West Water District, Tubac Water District, and Mohave Wastewater District. Under Arizona-American's proposal, the actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.

For its **Agua Fria Water District**, Arizona-American's application requests an annual revenue increase of approximately \$9,192,045 or 5.13 percent over current revenues. For average consumption (7,400 gallons per month) 5/8 x 3/4 inch meter residential customers in the Agua Fria Water District, Arizona-American's request would increase monthly rates by 58.15 percent. **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided. The Company can calculate the impact of its rate increase proposal on your account.** If you would like the Company to calculate the impact of its proposal on your account, please email our **Arizona Representatives at azrates@amwater.com** and provide us with your Account Number and Service Address including City.

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 Arizona-American's proposed rate increase. The Residential Utility Consumer Office is also a party to this proceeding and will also analyze the application and make recommendations to the Commission. 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 Arizona-American, Staff, or any intervenors; therefore, the final rates approved by the Commission may be higher or lower than the rates requested by Arizona-American.

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

Copies of the application and proposed rates are available for public inspection at the Arizona American Water office located at 15626 N. Del Webb Blvd. in Sun City, Arizona, at the Buckeye Public Library located at 310 N. 6th St. in Buckeye, Arizona, and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function. The rate filing information is also available on our website at www.arizonaamwater.com under the Customer Service tab.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **March 19, 2009, at 1:30 p.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-01303A-08-0227 et al. 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, please go to http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf. If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 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 **December 15, 2008**, and send a copy of the motion to Arizona-American 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 Arizona-American, a shareholder of Arizona-American, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to Arizona-American 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 December 15, 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, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

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.

Summary

On May 2, 2008, Arizona-American Water Company, Inc. ("Arizona-American" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for permanent revenue increases for its following Districts: Agua Fria Water District, Havasu Water District, Mohave Water District, Paradise Valley Water District, Sun City West Water District, Tubac Water District, and Mohave Wastewater District. Under Arizona-American's proposal, the actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.

For its **Havasu Water District**, Arizona-American's application requests an increase of approximately \$815,602, or 81.28 percent over current revenues. For average consumption (9,705 gallons per month) 5/8 x 3/4 inch meter residential customers in the Havasu Water District, Arizona-American's request would increase monthly rates by 86.04 percent. **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided. The Company can calculate the impact of its rate increase proposal on your account.** If you would like the Company to calculate the impact of its proposal on your account, please email our **Arizona Representatives at azrates@amwater.com** and provide us with your Account Number and Service Address including City.

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 Arizona-American's proposed rate increase. The Residential Utility Consumer Office is also a party to this proceeding and will also analyze the application and make recommendations to the Commission. 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 Arizona-American, Staff, or any intervenors; therefore, the final rates approved by the Commission may be higher or lower than the rates requested by Arizona-American.

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

Copies of the application and proposed rates are available for public inspection at the Arizona American Water office located at 860 Gemstone Avenue in Bullhead City, Arizona, at the Desert Hills Fire Station located at 3983 London Bridge Road in Lake Havasu City, Arizona, at the Mohave County District 3 Supervisor Buster Johnson's office, 2001 College Drive #90 in Lake Havasu City, Arizona, and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function. The rate filing information is also available on our website at www.arizonaamwater.com under the Customer Service tab.

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Summary

On May 2, 2008, Arizona-American Water Company, Inc. ("Arizona-American" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for permanent revenue increases for its following Districts: Agua Fria Water District, Havasu Water District, Mohave Water District, Paradise Valley Water District, Sun City West Water District, Tubac Water District, and Mohave Wastewater District. Under Arizona-American's proposal, the actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.

For its **Mohave Water District**, Arizona-American's application requests an annual revenue increase of approximately \$1,655,352, or 33.56 percent over current revenues. For average consumption (8,073 gallons per month) 5/8 x 3/4 inch meter residential customers in the Mohave Water District, Arizona-American's request would increase monthly rates by 40.46 percent. **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided. The Company can calculate the impact of its rate increase proposal on your account.** If you would like the Company to calculate the impact of its proposal on your account, please email our **Arizona Representatives at azrates@amwater.com** and provide us with your Account Number and Service Address including City.

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 Arizona-American's proposed rate increase. The Residential Utility Consumer Office is also a party to this proceeding and will also analyze the application and make recommendations to the Commission. 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 Arizona-American, Staff, or any intervenors; therefore, the final rates approved by the Commission may be higher or lower than the rates requested by Arizona-American.

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Summary

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For its **Paradise Valley Water District**, Arizona-American's application requests an annual revenue increase of approximately \$3,101,435 or 39.60 percent over current revenues. For average consumption (20,493 gallons per month) 5/8 x 3/4 inch meter residential customers in the Paradise Valley Water District, Arizona-American's request would increase monthly rates by 42.79 percent. **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided. The Company can calculate the impact of its rate increase proposal on your account.** If you would like the Company to calculate the impact of its proposal on your account, please email **our Arizona Representatives at azrates@amwater.com** and provide us with your Account Number and Service Address including City.

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 Arizona-American's proposed rate increase. The Residential Utility Consumer Office is also a party to this proceeding and will also analyze the application and make recommendations to the Commission. 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 Arizona-American, Staff, or any intervenors; therefore, the final rates approved by the Commission may be higher or lower than the rates requested by Arizona-American.

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For its **Sun City West Water District**, Arizona-American's application requests an annual revenue increase of approximately \$4,275,958, or 75.53 percent over current revenues. For average consumption (6,704 gallons per month) 5/8 x 3/4 inch meter residential customers in the Sun City West Water District, Arizona-American's request would increase monthly rates by 79.76 percent. **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided. The Company can calculate the impact of its rate increase proposal on your account.** If you would like the Company to calculate the impact of its proposal on your account, please email **our Arizona Representatives at azrates@amwater.com** and provide us with your Account Number and Service Address including City.

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 Arizona-American's proposed rate increase. The Residential Utility Consumer Office is also a party to this proceeding and will also analyze the application and make recommendations to the Commission. 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 Arizona-American, Staff, or any intervenors; therefore, the final rates approved by the Commission may be higher or lower than the rates requested by Arizona-American.

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

Copies of the application and proposed rates are available for public inspection at the Arizona American Water office located at 15626 N. Del Webb Blvd. in Sun City, Arizona, at the PORA's office located at 13815 Camino del Sol in Sun City West, Arizona, and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function. The rate filing information is also available on our website at www.arizonaamwater.com under the Customer Service tab.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **March 19, 2009, at 1:30 p.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-01303A-08-0227 et al. 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, please go to http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf. If you require assistance, you may contact the Consumer Services Section at 602-542-425 1 or 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 **December 15, 2008**, and send a copy of the motion to Arizona-American 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 Arizona-American, a shareholder of Arizona-American, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to Arizona-American 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 December 15, 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, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

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 602/542-393 1. Requests should be made as early as possible to allow time to arrange the accommodation.

Summary

On May 2, 2008, Arizona-American Water Company, Inc. ("Arizona-American" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for permanent revenue increases for its following Districts: Agua Fria Water District, Havasu Water District, Mohave Water District, Paradise Valley Water District, Sun City West Water District, Tubac Water District, and Mohave Wastewater District. Under Arizona-American's proposal, the actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.

For its **Tubac Water District**, Arizona-American's application requests an annual revenue increase of approximately \$278,040, or 65.72 percent over current revenues. For average consumption (11,767 gallons per month) 5/8 x 3/4 inch meter residential customers in the Tubac Water District, Arizona-American's request would increase monthly rates by 72.74 percent. **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided. The Company can calculate the impact of its rate increase proposal on your account.** If you would like the Company to calculate the impact of its proposal on your account, please email **our Arizona Representatives at azrates@amwater.com** and provide us with your Account Number and Service Address including City.

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 Arizona-American's proposed rate increase. The Residential Utility Consumer Office is also a party to this proceeding and will also analyze the application and make recommendations to the Commission. 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 Arizona-American, Staff, or any intervenors; therefore, the final rates approved by the Commission may be higher or lower than the rates requested by Arizona-American.

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Copies of the application and proposed rates are available for public inspection at the Arizona American Water office located at 15 Burrue Street in Tubac, at the Tubac Community Center located at 50 Bridge Road in Tubac, and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function. The rate filing information is also available on our website at www.arizonaamwater.com under the Customer Service tab.

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Summary

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For its **Mohave Wastewater District**, Arizona-American's application requests an annual revenue increase of approximately \$642,185 or 81.16 percent over current revenues. For residential customers in the Mohave Wastewater District, Arizona-American's request would increase monthly rates by 80.87 percent. **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided. The Company can calculate the impact of its rate increase proposal on your account.** If you would like the Company to calculate the impact of its proposal on your account, please email **our Arizona Representatives at azrates@amwater.com** and provide us with your Account Number and Service Address including City.

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