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THIS AMENDMENT:

_____ Passed _____ Passed as amended by _____ **RECEIVED**

_____ Failed _____ Not Offered _____ Withdrawn

2008 OCT 15 P 1:09

ORIGINAL

GLEASON PROPOSED AMENDMENT #1

DATE PREPARED: December 16, 2008

COMPANY: Wilhoit Water Company, Inc.

DOCKET NO: W-02065A-07-0313 and W-02065A-08-0319 ¹³⁹

OPEN MEETING DATE: December 16 through 19, 2008 AGENDA ITEM: 24

Page 8, between lines 6½ and 7, INSERT new Findings of Fact to read:

“29. On December 10, 2008, the Company filed exceptions to the Recommended Opinion and Order in this docket in which the Company stated that a loan in the amount of \$40,000 would not be enough to fund the arsenic remediation system and requested instead that the Commission authorize the Company to borrow up to \$70,000 for that purpose. The Company’s request that the Commission increase the debt authorization from \$40,000 to \$70,000 is reasonable and we will grant it.

30. Based on a projected interest rate of eight percent, Staff projects the Company would need additional annual revenues of \$7,418 or approximately \$619 per month to meet the debt service on a \$70,000, 20-year WIFA loan.

31. According to Staff, if its recommended rates and charges were adopted and a surcharge implemented to cover the Company’s projected obligations under a \$70,000 WIFA loan, the Company’s cash flow will provide the Company with a TIER of 2.20 DSC of 1.75. This is sufficient cash flow to support the Company’s request to increase the amount of the WIFA loan to an amount not to exceed \$70,000.

32. According to Staff, the pro forma effects on a monthly bill with an ARSM to fund a \$70,000 loan for an arsenic treatment system will add the following surcharges:

5/8" x 3/4"	Meter	\$ 9.66
3/4"	Meter	14.49
1"	Meter	24.15
1½"	Meter	48.29
2"	Meter	77.27
3"	Meter	144.87
4"	Meter	241.46
6"	Meter	482.91"

Arizona Corporation Commission
DOCKETED
 DEC 16 2008

DOCKETED BY

Re-number Findings of Fact to conform

Page 12, line 11, after "adopted" INSERT:

"except we will amend the thirteenth and fourteenth bulleted paragraphs of Staff's proposed orders, as outlined in Finding of Fact No. 38, to authorize the Company to borrow from WIFA an amount not to exceed \$70,000, and to require the Company to file an arsenic removal surcharge tariff application to meet its obligations on the \$70,000 WIFA loan and income taxes on the surcharge."

Page 13, line 21, after "that" INSERT:

"the Company may incur debt in an amount not exceed \$70,000 and"

Page 15, line 22½

STRIKE: "\$40,000"

INSERT: "\$70,000"

Make all conforming changes