

THIS AMENDMENT:		 0000104972
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	Not Offered _____	

604

ORIGINAL

HEARING DIVISION PROPOSED AMENDMENT #2

TIME/DATE PREPARED November, 13, 2009/11:00 a.m.

COMPANY: Arizona-American Water Co. AGENDA ITEM NO. U-25

DOCKET NOS.: W-01303A-08-0227 and SW-01303A-08-0227 OPEN MEETING: DATE: Nov. 19 & 20, 2009

Page 5, Line 26:

DELETE: "eleven"

INSERT: "twelve"

Arizona Corporation Commission
DOCKETED
 NOV. 13 2009

Page 6: DELETE Footnote 4

DOCKETED BY *mm*

Page 12, Line 7:

INSERT: "not" after "and"

RECEIVED
 2009 NOV 13 A 11: 05
 AZ CORP COMMISSION
 DOCKET CONTROL

Page 60, Line 19 1/2:

DELETE: "routing"

INSERT: "routine"

Page 69, Line 4:

DELETE: "Lake Havasu"

INSERT: "Bullhead"

Page 69, Line 8:

DELETE: "Bullhead"

INSERT: "Lake Havasu"

Page 71, Line 19:

DELETE: "actual"

INSERT: "incremental"

Page 71, Line 23:

INSERT: "owner and" after "sole"

Page 71, Line 25 thru Page 72, Line 9: DELETE Findings of Fact No. 120 and INSERT:

"120. The Company proposed specific accounting entries, as set forth in the discussion herein, which will allow the Company to continue to offset the actual and remaining costs of the White Tanks Plant, including accumulated AFUDC, by available incremental hook-up fees which are recommended to be not subject to offset in this proceeding and which are collected under the Common Facilities Hook-Up Fee (Water) Tariff Schedule for the Company's Agua Fria Water district, and to record post-in-service AFUDC after the White Tanks Plant goes into service for the plant costs that are in excess of the hook-up fees collected and recommended not to be subject to offset in this proceeding, and to defer post-in-service depreciation expense in excess of the associated amortization of those hook-up fees. The accounting entries proposed by the Company present a reasonable means, pending the Company's next rate filing for the Agua Fria Water district, of permitting the Company to recover its White Tanks Plant capital costs on an on-going basis, and thereby avoid a reduction in earnings, while providing a benefit to ratepayers by minimizing post-in-service AFUDC and deferred depreciation expense. The necessity of continuing these accounting procedures should be addressed in the Company's next rate filing for its Agua Fria Water district."

Page 78, Line 8:

INSERT: "incremental" after "defer

DELETE: "operation"

INSERT: "operating"

Page 78, Line 12:

INSERT: "owner and" after "sole"

EXHIBIT A, Page 1 of 4 pages:

INSERT: "AGUA FRIA WATER DISTRICT" under "COMMON FACILITIES
HOOK-UP FEE (WATER)"

EXHIBIT C, Page 1 of 3 pages:

INSERT: "MOHAVE WASTEWATER DISTRICT" after "Arizona-American Water
Company"