

ORIGINAL

THIS AMENDMENT:
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Arizona Corporation Commission

DOCKETED

2009 NOV 17 P 12:43 MAYES PROPOSED AMENDMENT 1

NOV 17 2009

AZ CORP COMMISSION
DOCKET CONTROL

TIME/DATE PREPARED: November 17, 2009

DOCKETED BY	
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COMPANY: Arizona-American Water Company

AGENDA ITEM NO. U-25

DOCKET NO. W-01303A-08-0227; SW-01303A-08-0227

OPEN MEETING DATE: November 19/20, 2009

Page 51, line 5, DELETE: "We find that it is reasonable to keep this docket open for the limited purpose of consolidation at a future date with a separate docket in which a revenue-neutral change to rate design of all the Company's water districts or all the Company's water and wastewater districts may be considered simultaneously, after appropriate public notice, with appropriate opportunity for informed public comment and participation."

AND INSERT: "We believe that the issue of consolidation merits thorough vetting, discussion and public participation. In the instant proceeding, parties have argued that further development of the issue is needed. Accordingly, we find it reasonable to defer this issue in the instant rate case but keep this docket open for the limited purpose of consolidation discussion."

While the Commission will defer addressing consolidation in the instant case, we believe this issue is of critical importance and that unnecessary delay does not allow customers to benefit from administrative expediency, economies of scale and other efficiencies which would otherwise occur through consolidation. Accordingly, we will require Commission Staff to propose at least one consolidation proposal in the Company's next rate case which will allow parties and the public ample opportunity to have notice of this issue and participate in that discussion. We also believe the Company should commence a dialogue with its customers as soon as practicable, and will require it to initiate town hall-style meetings in all of its service territories to begin communicating with consumers the various impacts of system consolidation in each of those service territories, and to collect feed-back from consumers on such consolidation."

Page 71, lines 4-5, DELETE: "...at a future date..." AND INSERT "in the Company's next rate case"

Page 71, line 6 after "water districts" INSERT: "or other appropriate proposals"

Page 71, line 6 after "wastewater districts" INSERT: "or other appropriate proposals"

Page 75, line 10, DELETE: "...at a future date..." AND INSERT: "in the Company's next rate case"

Page 75, line 11 after "water districts" INSERT: "or other appropriate proposals"

Page 75, line 11 after "wastewater districts" INSERT: "or other appropriate proposals"

Page 77, line 15, DELETE: "...at a future date..." AND INSERT: "in the Company's next rate case"

Page 77, line 16 after "water districts" INSERT: "or other appropriate proposals"

Page 77, line 17 after "wastewater districts" INSERT: "or other appropriate proposals"

Page 77, line 18.5 INSERT NEW ORDERING PARAGRAPH: "IT IS FURTHER ORDERED that the Company shall commence a dialogue with its customers as soon as practicable, and will initiate town hall-style meetings in all of its service territories to begin communicating with consumers the various impacts of system consolidation in each of those service territories, and to collect feed-back from consumers on such consolidation."

Make all conforming changes.