



Sacks Tierney P.A.

ATTORNEYS

4250 N. Drinkwater Blvd., Fourth Floor • Scottsdale, AZ 85251

Celebrating 50 Years of Service to Our Clients and Community



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ORIGINAL

Judith M. Dworkin
Managing Partner

March 12, 2010

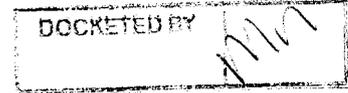
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Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

MAR 15 2010

Re: Arizona-American Water Company
Docket Nos. W-01303A-09-0343 and SW-01303A-09-0343



Ladies and Gentlemen:

Enclosed for filing in the above matters is Anthem Community Council's Notice of Filing Revised Exhibit. Also enclosed is a stamped, self-addressed envelope for return of a conformed copy. If you need anything further, please contact me.

Sincerely,

SACKS TIERNEY P.A.

Judith M. Dworkin

JMD:wp
Enclosures

RECEIVED
2010 MAR 15 A 11:32
AZ CORP COMMISSION
DOCKET CONTROL

SACKS TIERNEY P.A., ATTORNEYS
4250 NORTH DRINKWATER BOULEVARD
FOURTH FLOOR
SCOTTSDALE, ARIZONA 85251-3693

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

2010 MAR 15 A 11: 32

AZ CORP COMMISSION
DOCKET CONTROL

COMMISSIONERS

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

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 ANTHEM WATER
DISTRICT AND ITS SUN CITY WATER
DISTRICT.

DOCKET NO. W-01303A-09-0343

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 ANTHEM/AGUA
FRIA WASTEWATER DISTRICT, ITS SUN CITY
WASTEWATER DISTRICT AND ITS SUN CITY
WEST WASTEWATER DISTRICT.

DOCKET NO. SW-01303A-09-0343

**ANTHEM COMMUNITY
COUNCIL'S NOTICE OF FILING
OF REVISED EXHIBIT**

By means of this submittal, the Anthem Community Council ("Anthem") hereby provides notice of its filing of a revised exhibit in the above-captioned and above-docketed proceedings in connection with the previously-filed prepared Direct Testimony of Dan L. Neidlinger. On March 8, 2010, Anthem filed the aforesaid testimony and exhibits thereto of its witness Dan L. Neidlinger. Shortly thereafter, Mr. Neidlinger became aware of information filed in August 2009 by Arizona-American Water Company ("AAWC") which supplemented the July 2, 2009 prepared Direct Testimony of AAWC witness Thomas Broderick. This supplemental information occasioned a change in Mr. Neidlinger's Exhibit

1 DLN-1. The results of that change have been reflected in Revised Exhibit DLN-1, a copy
2 of which is attached hereto and incorporated herein by this reference; and the effect of such
3 revision is to reduce the 58.23% increase in water rates shown on the original exhibit to
4 55.59%.

5 Revised Exhibit DLN-1 will be substituted for Exhibit DLN-1 during the evidentiary
6 hearings which are currently scheduled to commence in the above-captioned and above-
7 docketed proceedings on April 19, 2010. There are no changes to the wastewater analysis.

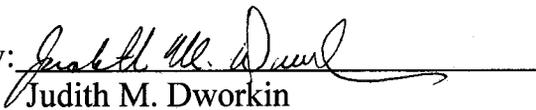
8 DATED this 12th day of March 2010.

9 Respectfully submitted,

10 Judith M. Dworkin
11 Sacks Tierney PA
12 4250 N. Drinkwater Blvd., 4th Floor
13 Scottsdale, Arizona 85251-3693

14 and

15 Lawrence V. Robertson, Jr.
16 P.O. Box 1448
17 Tubac, Arizona 85646-1448

18 By: 
19 Judith M. Dworkin
20 Attorneys for Anthem Community Council
21

22 The original and fifteen (15) copies of the
23 foregoing Notice are being mailed
24 this 12th day of March, 2010 to:

25 Docket Control
26 Arizona Corporation Commission
27 1200 West Washington Street
28 Phoenix, AZ 85007

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A copy of the foregoing Notice is being mailed or emailed this same date to:

Teena Wolfe, Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

All parties of record

Wendy Petersen

EXHIBIT DLN-1
Revised 3-10-10

ARIZONA-AMERICAN WATER COMPANY
ACC DOCKET NOS. W-01303A-09-0343 & SW-01303A-09-0343
ANTHEM WATER & WASTEWATER DISTRICTS

Rate of Return and Utility Plant Adjustments to Partially Mitigate Rate Shock

DESCRIPTION	AS FILED (1)	ADJUSTMENTS	ADJUSTED AMOUNT
WATER:			
Rate Base (2)	\$57,430,024	-\$12,666,752	\$44,763,272
Adjusted Operating Income (3)	514,449	257,236	771,685
Required Rate of Return (4)	8.53%	-1.20%	7.33%
Operating Income Reqmt.	4,898,781		3,281,148
Operating Income Def.	4,384,332		2,509,463
Gross Rev. Conv. Factor	1.6578		1.6578
Increase in Gross Revenues	7,268,346		4,160,187
Adjusted Test Year Revenues	7,483,274		7,483,274
Revenue Increase Percentage	97.13%		55.59%
WASTEWATER:			
Rate Base (5)	\$47,735,732	-\$4,408,870	\$43,326,862
Adjusted Operating Income (6)	-191,785	96,142	-95,643
Required Rate of Return (4)	8.53%	-1.20%	7.33%
Operating Income Reqmt.	4,071,858		3,175,859
Operating Income Def.	4,263,643		3,271,502
Gross Rev. Conv. Factor	1.6561		1.6561
Increase in Gross Revenues	7,061,019		5,417,934

Adjusted Test Year Revenues	8,637,123	8,637,123
Revenue Increase Percentage	81.75%	62.73%

NOTES:

- (1) Per Company Original Wastewater Filing and Revised Water Filing
- (2) Pulte Refund - Gross Utility Plant \$14,889,799 Less Accumulated Depreciation (14.93%) of \$2,223,047
- (3) 2008 Depreciation (2.80%) of \$416,914 less Income Taxes (38.3%) of \$159,678
- (4) Adjustment to Reduce Rate of Return to 7.33% per ACC Rate of Return Finding in Decision No. 71410
- (5) Pulte Refund - Gross Utility Plant \$5,336,323 Less Accumulated Depreciation (17.38%) of \$927,453
- (6) 2008 Depreciation (2.92%) of \$155,821 less Income Taxes (38.3%) of \$59,679