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**BEFORE THE ARIZONA CORPORATION COMMISSION**

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KRISTIN K. MAYES  
Chairman

2010 APR 15 P 4:09

GARY PIERCE  
Commissioner

AZ CORP COMMISSION  
DOCKET CONTROL

PAUL NEWMAN  
Commissioner

Arizona Corporation Commission  
**DOCKETED**

SANDRA D. KENNEDY  
Commissioner

APR 15 2010

BOB STUMP  
Commissioner

DOCKETED BY

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

**NOTICE OF ADOPTION OF TESTIMONY AND CERTAIN CORRECTIONS**

The following witnesses for Arizona-American Water Company will adopt  
the pre-filed testimony of other individuals.

- 1 • Paul G. Townsley will adopt the pre-filed direct testimony of  
2 Christopher C. Buls.
- 3 • Ian C. Crooks will adopt the pre-filed direct testimony of Bradley J.  
4 Cole.
- 5 • Linda J. Gutowski will adopt the portions of the pre-filed direct  
6 testimony of Sheryl L. Hubbard concerning Schedules A-2, A-4, A-5,  
7 E-8, F-1, F-2, F-3, and F-5 for each district in the case; and operating  
8 income adjustments SLH-5, SLH-6, SLH-8, SLH-11, SLH-12, SLH-  
9 13, SLH-15, and SLH-16.
- 10 • Sandra L. Murrey will adopt the portions of the pre-filed direct  
11 testimony of Sheryl L. Hubbard concerning the allocation of the  
12 Northwest Valley Regional Treatment Facility plant investment and  
13 operating expenses between Sun City West Wastewater District and  
14 Anthem/Agua Fria Wastewater District.
- 15 • Miles H. Kiger will adopt the portions of the pre-filed direct testimony  
16 of Sheryl L. Hubbard concerning Schedules C-1, C-2, C-3, E-3, and E-  
17 7 for each district in the case; and operating income adjustments SLH-  
18 1, SLH-2, SLH-3, SLH-4, SLH-7, SLH-9, SLH-10, SLH-14.

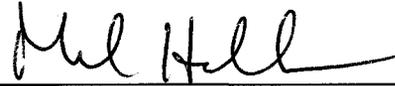
19 The Company will provide a copy of a marked version of Ms. Hubbard's testimony at the  
20 first day of the hearing.

21 Attached as Exhibit A to this filing are certain corrections to the Rebuttal  
22 Testimony of Miles H. Kiger. During the hearing, the Company will also make certain  
23 corrections to the original schedules and rebuttal schedules.  
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RESPECTFULLY SUBMITTED this 15th day of April, 2010.

LEWIS AND ROCA LLP



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Thomas H. Campbell  
Michael T. Hallam  
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Phoenix, AZ 85004

Attorneys for Arizona-American Water Company

ORIGINAL and thirteen (13) copies  
of the foregoing filed this 15th day  
of April, 2010, with:

The Arizona Corporation Commission  
Utilities Division -- Docket Control  
1200 W. Washington Street  
Phoenix, Arizona 85007

Copy of the foregoing hand-delivered  
this 15th day of April, 2010, to:

Steve Olea  
Utilities Division  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

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

Robin Mitchell  
Maureen Scott  
Legal Division  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

1 Copy of the foregoing mailed  
2 this 15th day of April, 2010, to:

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14 Property Owners and Residents Assoc.  
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25 Marshall Magruder  
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Tubac, AZ 85646

  
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**EXHIBIT A**

Arizona-American Water Company  
 Corrections to Rebuttal Testimony of Miles H. Kiger

Page iii, line 14, DELETE:

<b>District</b>	<b>Anthem Water</b>	<b>Sun City Water</b>	<b>Anthem/ Agua Fria Wastewater</b>	<b>Sun City Wastewater</b>	<b>Sun City West Wastewater</b>
<b>Adjusted TY Operating Income</b>	\$519,034	\$769,886	\$88,927	(\$66,402)	\$441,997

Page iii, line 14, INSERT:

<b>District</b>	<b>Anthem Water</b>	<b>Sun City Water</b>	<b>Anthem/ Agua Fria Wastewater</b>	<b>Sun City Wastewater</b>	<b>Sun City West Wastewater</b>
<b>Adjusted TY Operating Income</b>	\$528,986	\$776,673	\$88,073	(\$66,402)	\$441,997

Page iii, line 19, DELETE:

<b>District</b>	<b>Anthem Water</b>	<b>Sun City Water</b>	<b>Anthem/ Agua Fria Wastewater</b>	<b>Sun City Wastewater</b>	<b>Sun City West Wastewater</b>
<b>Adjusted TY Operating Expenses</b>	\$6,973,710	\$8,513,215	\$8,548,075	\$6,027,429	\$5,219,712

Page iii, line 19 INSERT:

<b>District</b>	<b>Anthem Water</b>	<b>Sun City Water</b>	<b>Anthem/ Agua Fria Wastewater</b>	<b>Sun City Wastewater</b>	<b>Sun City West Wastewater</b>
<b>Adjusted TY Operating Expenses</b>	\$6,963,758	\$8,506,428	\$8,548,929	\$6,007,429	\$5,219,712

Page 2, line 2, INSERT: “ · Schedule C-1 Rebuttal Arizona-American Adjusted Test Year Income Statement”.

Page 7, line 3, DELETE:

<b>District</b>	<b>Anthem Water</b>	<b>Sun City Water</b>	<b>Anthem/ Agua Fria Wastewater</b>	<b>Sun City Wastewater</b>	<b>Sun City West Wastewater</b>
<b>Adjusted TY Operating Income</b>	\$519,034	\$769,886	\$88,927	(\$66,402)	\$441,997

Page 7, line 3, INSERT:

<b>District</b>	<b>Anthem Water</b>	<b>Sun City Water</b>	<b>Anthem/ Agua Fria Wastewater</b>	<b>Sun City Wastewater</b>	<b>Sun City West Wastewater</b>
<b>Adjusted TY Operating Income</b>	\$528,986	\$776,673	\$88,073	(\$66,402)	\$441,997

Page 7, line 8, DELETE:

<b>District</b>	<b>Anthem Water</b>	<b>Sun City Water</b>	<b>Anthem/ Agua Fria Wastewater</b>	<b>Sun City Wastewater</b>	<b>Sun City West Wastewater</b>
<b>Adjusted TY Operating Expenses</b>	\$6,973,710	\$8,513,215	\$8,548,075	\$6,027,429	\$5,219,712

Page 7, line 8, INSERT:

<b>District</b>	<b>Anthem Water</b>	<b>Sun City Water</b>	<b>Anthem/ Agua Fria Wastewater</b>	<b>Sun City Wastewater</b>	<b>Sun City West Wastewater</b>
<b>Adjusted TY Operating Expenses</b>	\$6,963,758	\$8,506,428	\$8,548,929	\$6,007,429	\$5,219,712

Page 9, line 10, DELETE:

<b>District</b>	<b>Anthem Water</b>	<b>Sun City Water</b>	<b>Anthem/ Agua Fria Wastewater</b>	<b>Sun City Wastewater</b>	<b>Sun City West Wastewater</b>
<b>Labor Pro Forma Adjustment</b>	(\$14,417)	(\$31,378)	(\$25,483)	(\$18,616)	(\$21,078)

Page 9, line 10, INSERT:

<b>District</b>	<b>Anthem Water</b>	<b>Sun City Water</b>	<b>Anthem/ Agua Fria Wastewater</b>	<b>Sun City Wastewater</b>	<b>Sun City West Wastewater</b>
<b>Labor Pro Forma Adjustment</b>	(\$24,152)	(\$31,378)	(\$25,483)	(\$18,616)	(\$21,078)

Page 10, line 10, DELETE: "2008 test year actual."

Page 10, line 10, INSERT: "2008 adjusted test year amount."

Page 10, line 14, DELETE: "SIX".

Page 10, line 14, INSERT: "SEVEN".

Page 12 , lines 10 to 13, DELETE: "Arizona-American's pension and OPEB costs are determined by Towers Perrin, a nationally recognized actuary. Towers Perrin determined the Service Company's 2009 pension funding obligation during 2008".

Page 12, lines 10 to 13, INSERT: "Towers Perrin (now Towers Watson) determined the minimum pension funding necessary for American Water to avoid "at risk" status under the Pension Protection Act ("PPA"), a minimum obligation to which Service Company shares."

Page 15, line 19, DELETE:

<b>District</b>	<b>Anthem Water</b>	<b>Sun City Water</b>	<b>Anthem/ Agua Fria Wastewater</b>	<b>Sun City Wastewater</b>	<b>Sun City West Wastewater</b>
<b>Mgmt Fees Pro Forma Adjustment</b>	(\$43,721)	(\$65,472)	(\$62,936)	(\$40,478)	(\$34,252)

Page 15, line 19, INSERT:

<b>District</b>	<b>Anthem Water</b>	<b>Sun City Water</b>	<b>Anthem/ Agua Fria Wastewater</b>	<b>Sun City Wastewater</b>	<b>Sun City West Wastewater</b>
<b>Mgmt Fees <i>Pro Forma</i> Adjustment</b>	(\$50,236)	(\$65,472)	(\$62,936)	(\$40,478)	(\$34,252)