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January 23, 2011

Arizona Corporation Commission

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JAN 24 2011

Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

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ARIZONA CORPORATION COMMISSION
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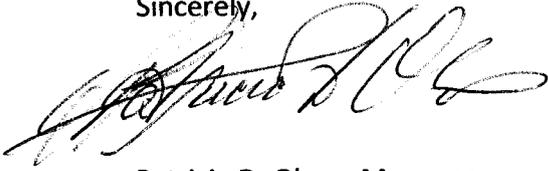
RE: Docket No.: W-04254A-08-0361 & W-04254A-08-0362
Decision No.: 71317

Per ARS 40-252, Montezuma Rimrock Water Company, LLC (MRWC) requests an amendment to Decision No. 71317. Decision No. 71317, approved by the Arizona Corporation Commission on October 21, 2009 authorizes MRWC to "incur long-term debt in the form of a Water Infrastructure Finance Authority of Arizona loan in an amount up to \$165,000, with a term of 20 years and on such terms and interest rates as are prevailing at the time the Water Infrastructure Finance Authority approves the loan." Decision No. 71317 further states, "It is further ordered that the maximum interest rates used by Montezuma Rimrock Water Company, LLC to calculate the arsenic remediation surcharge it requests shall be the prime rate plus 200 basis points."

MRWC was required by WIFA to submit an Environmental Information Document (EID). Upon review of the submitted EID by MRWC, WIFA now requires an Environmental Impact Statement (EIS). The EIS requires approximately one to two years for completion and with an anticipated cost of over \$100,000.00. Although MRWC is willing to comply with the request by WIFA, it must also consider the financial impact and timeframe an EIS will have with respect to the Consent Order from the Arizona Department of Environmental Quality (ADEQ). The Consent Order requires that MRWC complete its Arsenic Treatment Facility by June, 2011. Given the time frame and expense, pursuing the WIFA funding has become economically unfeasible and will prohibit MRWC from meeting the deadline in the Consent Order. The prospect of delaying the Arsenic Treatment facility does nothing to meet the goal of providing safe drinking water to its customers.

MRWC requests that Decision No. 71317 be amended to allow MRWC to seek funding from a private financial institution with terms and prevailing interest rates of the financial institution. An amendment to Decision No. 71317 will allow MRWC to meet the Consent Order requirements set by ADEQ.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia D. Olsen", written in a cursive style.

Patricia D. Olsen, Manager