



City of Casa Grande

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September 13, 2011

AZ CORP COMMISSION
DOCKET CONTROL

Chairman Gary Pierce
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Docket No. W-01445A-10-0517 – Distribution System Improvement Charge
Related to the Replacement of Aging or Undersized Infrastructure

Dear Chairman Pierce:

The purpose of this letter is to confirm the City of Casa Grande's (the "City") support of Arizona Water Company's request that the Arizona Corporation Commission approve the establishment of a Distribution System Improvement Charge ("DSIC") in the above-referenced docket.

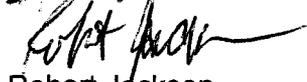
The City is concerned about aging or undersized water service infrastructure serving the Casa Grande area. Water mains and services in the oldest part of the City need to be replaced because they have reached, or are approaching the end of their useful service lives. In addition, industry design standards and the City's minimum fire flow requirements in these areas have become much more stringent since these water mains were installed. Accordingly, when older water mains are replaced they must be replaced with larger diameter water mains.

Although the City is keenly aware that the cost to replace this infrastructure may be significant, the City supports Arizona Water Company's efforts to replace and upgrade infrastructure that will help to ensure the safety, reliability and adequacy of water service.

Moreover, the gradual rate changes that would result through the use of a DSIC are preferable to larger, less frequent rate changes. For these reasons, the City requests that the Commission consider and approve Arizona Water Company's request for a DSIC for the Casa Grande/Pinal Valley area.

If you have any additional questions, please feel free to contact me.

Sincerely,


Robert Jackson
Mayor

Arizona Corporation Commission
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SEP 16 2011

- cc: Commissioner Bob Stump, ACC
- Commissioner Brenda Burns, ACC
- Commissioner Sandra D. Kennedy, ACC
- Commissioner Paul Newman, ACC
- ✓ Docket Control, ACC
- City Council, City of Casa Grande
- Jim Thompson, City Manager, City of Casa Grande

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