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PETITION

to the

ARIZONA CORPORATION COMMISSION

regarding

APPLICATION OF ARIZONA-AMERICAN WATER CO.

for

PERMANENT WATER RATE INCREASE

Docket No. W-01303A-10-0448

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ARIZONA CORPORATION COMMISSION DOCKET CONTROL

We, the undersigned, are customers of Arizona-American Water Company's ("Arizona-American" or the "Company") Agua Fria Water District. We hereby petition the Arizona Corporation Commission to deny the water rate increases requested by the Company in its application and supporting documents for, without limitation, the following reasons:

- (1) Inclusion of the \$74 million White Tanks Water Treatment Facility in rate base is the leading cause behind the colossal 82.89% increase in rates requested by Arizona-American;
(2) The White Tanks plant was originally constructed to provide supplemental capacity for anticipated customer growth which did not occur;
(3) Financing approval for construction of the White Tanks plant was predicated on multiple assertions by Arizona-American that the cost of the plant would be borne by new customers via increased hook-up fees and current customer rates would be minimally impacted;
(4) Existing customers do not benefit from the White Tanks plant because they were adequately served by the existing infrastructure in the Agua Fria District;
(5) The White Tanks plant is expandable at significant economies of scale, meaning that current customers would end up paying for future growth if the requested rate increase is approved by the Commission; and
(6) Arizona-American should ultimately be responsible for the costs of the plant.

Table with 4 columns: Date, Signature, Printed Name, Address. Contains two rows of handwritten entries for Glenn Harvey and Linda Harvey.