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**BEFORE THE ARIZONA CORPORATION COMMISSION**

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8 IN THE MATTER OF THE APPLICATION OF  
 9 ARIZONA-AMERICAN WATER COMPANY,  
 10 AN ARIZONA CORPORATION, FOR A  
 11 DETERMINATION OF THE CURRENT FAIR  
 12 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

13 IN THE MATTER OF THE APPLICATION OF  
 14 ARIZONA-AMERICAN WATER COMPANY,  
 15 AN ARIZONA CORPORATION, FOR A  
 16 DETERMINATION OF THE CURRENT FAIR  
 17 VALUE OF ITS UTILITY PLANT AND  
 18 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

Arizona Corporation Commission  
**DOCKETED**

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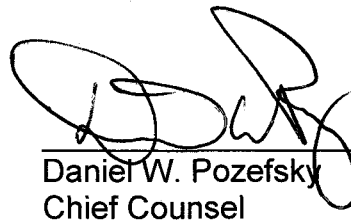
**RUCO'S NOTICE OF FILING  
WITHDRAWAL OF PHASE-IN PROPOSAL**

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1 The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing of the  
2 withdrawal of its proposed phase-in proposal. In its Closing Brief ("Brief"), RUCO expressed  
3 concerns about the impact on the Anthem ratepayers that would result should the Commission  
4 allow full and immediate recovery of the \$22 million Pulte refunds that are the subject of this  
5 case. Brief at 41 – 43. RUCO had proposed an alternate phase-in rate design proposal which  
6 would allow for recovery of the refunds over a 10-year period of time. In making this proposal  
7 RUCO initially believed it would provide a rate design option that would ameliorate the impact  
8 of the rate increase for Anthem ratepayers.

9 Subsequent to filing its Closing Brief, RUCO invited interested parties to go over the  
10 relevant numbers. During the course of these meetings, it became apparent to RUCO that due  
11 to carrying costs and other costs that allow the Company full recovery of its revenue  
12 requirement, no version of RUCO's proposal, or modification to it, would actually result in a  
13 rate design more beneficial to Anthem ratepayers than RUCO's stand-alone rate design.  
14 Accordingly, RUCO withdraws its alternate phase-in proposal.

15 RESPECTFULLY SUBMITTED this 1<sup>st</sup> day of October, 2010.

16  
17  
18   
19 Daniel W. Pozefsky  
Chief Counsel

20 AN ORIGINAL AND THIRTEEN COPIES  
21 of the foregoing filed this 1<sup>st</sup> day  
of October, 2010 with:

22 Docket Control  
23 Arizona Corporation Commission  
1200 West Washington  
24 Phoenix, Arizona 85007

1 COPIES of the foregoing hand delivered/  
mailed or emailed this 1<sup>st</sup> day of October, 2010 to:

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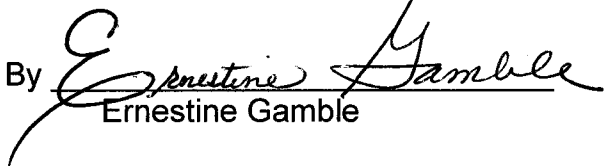
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