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ARIZONA CORPORATION COMMISSION

January 18, 2008

Mr. Paul Townsley
President
Arizona-American Water Company
19820 N. 7th Street, Suite 201
Phoenix, AZ 85024
Via Facsimile

**Re: Failure to Timely Notify Arizona-American Paradise Valley & Scottsdale
Customers of Water Contamination**

Dear Mr. Townsley,

It is my understanding that a number of Paradise Valley and Scottsdale residents did not receive timely notification of the trichloroethylene ("TCE") contamination in the Paradise Valley System. There were families that continued to drink the water because they did not receive proper notification by your company. Instead, many affected families learned of the contamination much later through other sources.

I am extremely concerned of the lack of communication from the company to its customers. I am appalled that so many families with vulnerable children and elderly continued to drink contaminated water due to Arizona-American's inadequate notification system.

I believe the current system in place may be deficient. I would like Arizona-American to conduct a thorough review of the current notification system and explain why so many customers were not properly alerted of the situation. I also want to know the steps Arizona-American is taking to ensure that all customers will be promptly notified of urgent situations in the future.

I would appreciate a prompt response.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Hatch-Miller".

Jeff Hatch-Miller
Arizona Corporation Commission

cc: Chairman Mike Gleason
Commissioner William Mundell
Commissioner Kris Mayes
Commissioner Gary Pierce
Dean Miller
Ernest Johnson
Chris Kempley
Rebecca Wilder