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ARIZONA CORPORATION COMMISSION

December 9, 2003

Mr. Jay L. Shapiro
Mr. Patrick Black
Fennemore Craig
3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012

Re: Docket No. W-03512A-03-0279 (Pine Water Company Rate Case)

Dear Counselors:

On December 8, 2003, I attended the public comment session in Pine regarding the proposed rate increase for your client, Pine Water Company. I estimate that at least 150 people attended the meeting; many of them provided excellent comments and raised important questions. As the evidentiary record continues to be developed, I would like you to respond to the following key questions raised by various Pine Water customers who provided public comment.

1. Why does not a moratorium exist on new hookups until reliable water sources are secured?

2. Why should customers be required to pay a base monthly service charge during times when no water is available to them?

3. Why should customers residing in areas that have adequate water pressure, such as Portal III, be required to pay charges for hauling additional water supplies?

4. How can the company better communicate the status of its water supply to its customers in an understandable, factual and timely manner?

5. Is the company investigating new groundwater sources? Is the statement "there are no new groundwater sources available" factual? Is a groundwater resource study available to Pine residents?

6. Has the company drilled any new wells or deepened existing wells in the past three years? Does the company plan to drill new wells or deepen existing wells in the imminent future?

7. Would added storage capacity alleviate water supply problems, especially during times of likely disruptions (i.e., holidays, weekends, summertime)?

8. Can meters be read at the same time each month so a customer's bill does not vary from month to month?

I look forward to your responses to these questions.

Sincerely,

Jeff Hatch-Miller
Commissioner

CC: Chairman Marc Spitzer
Commissioner Bill Mundell
Commissioner Mike Gleason
Commissioner Kris Mayes
Brian McNeil
Docket Control