COMMISSIONERS
MARC SPITZER - Chairman
JIM IRVIN
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON

ARIZONA CORPORATION COMMISSION

BRIAN C. MCNEIL
Executive Secretary

Direct Line: 602-542-3682
Fax: 602-542-3708
E-mail: MGLEASON@cc.state.az.us

January 30, 2003

Chairman Marc Spitzer
Commissioner Jim Irvin
Commissioner William Mundell
Commissioner Jeff Hatch-Miller
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

RE: Sun City Water Company and Sun City West Utility Company
Docket Nos. W-01656A-98-0577 and SW-02334A-98-0577

Dear Colleagues:

The above-referenced matter was scheduled for consideration at the Commission's Open Meeting on January 15, 2003. On January 9, 2003, I requested that the Chairman remove this item from that agenda. As I indicated to the Chairman, I was concerned that my earlier actions may present the appearance of having prejudged this matter. I wished to reexamine my own actions and to consult with my advisors and legal counsel before this matter was presented to the Commission for a vote. My concern was, and is, that the business of the Commission should be conducted with the utmost integrity and without even the possible appearance of an impropriety.

I now have had a thorough opportunity to reexamine my actions and to give due consideration to both the applicable legal standards and the practical considerations surrounding my consideration of this matter as a Commissioner. I have concluded that there is no legal, ethical or moral reason why I should not fulfill my responsibility as an elected Corporation Commissioner. I am, therefore, requesting that the referenced docket matter be placed before the Commission for our consideration and vote at the earliest available date.

Having raised the question myself, I now feel obligated to explain some of my thoughts that led me to this conclusion. The public record demonstrates that I took positions and offered opinions on this matter in the course of performing my duties as an elected legislator and as a resident of the affected area. Those positions and statements reflected my views of public policy and were consistent with my obligations to represent my constituency as their elected State Representative. The fact that this matter has been ongoing before the Commission for over two years following completion of the preliminary engineering report presented the necessity for me to voice my opinion on behalf of my constituency in furtherance of the public process. I do not regret those

statements, nor would I change them. It is important to remember that all of those statements were made before I was elected to the Commission.

Now I am an elected Corporation Commissioner, and this matter is before the Commission in the ordinary course of our business. It is my responsibility to consider the record in this matter and vote to approve, modify or reject the Recommended Opinion and Order that has been prepared by our assigned Administrative Law Judge. In determining whether my past statements and positions should inhibit me from considering this matter, I must assess whether my mind is irrevocably closed on the particular issues to be decided. It is likewise important that there not be an appearance that my mind is irrevocably closed on these issues.

The purpose of this letter is to explain that, upon due consideration, there is no question that I am able to adequately and fairly assess this matter and decide it based on the record that has been developed in the proceeding. Since becoming a Corporation Commissioner, I have had the opportunity to review the record in its entirety. Additionally, I have had the further benefit of reading the Recommended Opinion and Order prepared by our Administrative Law Judge. In addition, my sole consideration of this matter, as I prepare for deliberations and a vote, is that of a duly elected Corporation Commissioner. My prior statements and the views they reflected, while appropriate for the position I held at the time, do not influence my consideration of this matter as a Commissioner.

Finally, it is important to note that I am confident that no inappropriate appearance exists. The people must have confidence that their elected representatives are able to voice their views in public forums as appropriate. In addition, it is important that candidates for election to the Corporation Commission be aware of issues that are presented to this body. The fact that I presented my views on this matter as a legislator has no bearing on my ability to act as a Commissioner, I will act on this matter based on the entire record in this case.

Sincerely,

Mike Gleason
Commissioner

cc: Docket Control