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BOB BURNS
SUSAN BITTER SMITH



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Commissioner

ARIZONA CORPORATION COMMISSION

June 12, 2013

Re: Arizona Water Company W-01445A-11-0310

Dear Chairman, Fellow Commissioners and Parties to the Docket:

Today's decision approving a System Improvement Benefits ("SIB") mechanism in the Arizona Water rate case was historic and important for the future of the State of Arizona's water customers. The template for the SIB can be used by other water companies to make much needed infrastructure repairs, with incremental, as opposed to significant rate increases. The decision of the Commission in this case reaches far beyond one individual water company and has broader positive ramifications for all private water companies and their customers. There are over 300 water companies in Arizona, and many of them are small rural companies with aging infrastructure which has not been repaired for years. Our decision will insure that Arizonans will have a secure water delivery future.

The decision today was not reached without great discussion and deliberation among my fellow Commissioners and I want to thank them for their thorough and thoughtful consideration of the issues. My deliberation on this issue was much more complicated than I anticipated but I know that all of the Commissioners can take pride in the fact that Arizonans and Arizona water companies will have stability and certainty in their future.

My thanks to the Parties, to Commission Staff, and to Judge Nodes for their diligent and expedient work on this issue. I sincerely appreciate my fellow Commissioners for their extremely thoughtful and insightful contributions.

Sincerely,

A handwritten signature in cursive script that reads "Susan Bitter Smith".

Susan Bitter Smith
Commissioner

cc: Service List