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ARIZONA CORPORATION COMMISSION

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Commissioner

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September 17, 2007

Ms. Michele Van Quathem
Ryley Carlock & Applewhite
Attorney for Pulte Home Corporation
One North Central Avenue, Suite 1200
Phoenix, AZ 85004-4417

Re: Pulte's Response to Questions in the Arizona-American Anthem Rate Case; Docket No. WS-01303A-06-0403

Dear Ms. Van Quathem:

I have reviewed Pulte's responses to questions posed by Commissioners, Staff, RUCO and the Anthem Community Council, docketed on August 17, 2007. While Pulte did respond to all of the questions posed by the Administrative Law Judge and other Parties to the case, your client was largely unresponsive or provided incomplete answers to my questions. Therefore, I write today to re-pose my questions and to seek responses to several additional inquiries arising out of the answers you provided in the August 17, 2007 filing.

First, Pulte stated that it was unable to locate a document from the 1997-1998 timeframe showing Del Webb's estimated build-out projection. I am requesting that Pulte provide any document providing any information regarding the estimated build-out projection, or explain why Pulte has been unable to locate this information.

Second, during the July 13, 2007 hearing, I asked for information regarding whether Del Webb and Pulte's profits increased as a result of Anthem's build-out occurring approximately 10 years ahead of schedule. I once again request that Pulte provide this information to the Commission.

Third, Pulte's response indicated that it was unable to locate any references in board minutes to the setting of initial Anthem rates or forming a developer-owned utility to serve the Anthem community. Please tell the Commission whether Pulte is aware of whether there was any discussion at any level of Del Webb with regard to the setting of initial water rates for Anthem or the formation of a developer-owned utility.

Fourth, what is the status of Pulte's meetings with Arizona-American Water Company regarding the timing and amount of true-up payments, and whether these true-up payments can be delayed or spread out so as to mitigate impacts to ratepayers associated with them?

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As you know, Arizona-American Water Company is scheduled to refund approximately \$79 million to Pulte, which could significantly impact the ratepayers of the system. I remain greatly concerned about the rate impact associated with future true-ups as well as the true-ups implicated in this case.

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Kris Mayes", written in a cursive style.

Kris Mayes
Commissioner

Cc: Chairman Mike Gleason
Commissioner William A. Mundell
Commissioner Jeff Hatch-Miller
Commissioner Gary Pierce
Dean Miller
Ernest Johnson
Chris Kempley
Teena Wolfe
Lace Collins
Parties to the Docket