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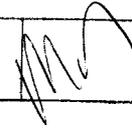
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Kristin K. Mayes – Chairman  
Gary Pierce  
Paul Newman  
Sandra Kennedy  
Bob Stump

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AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED BY 

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION  
OF ARIZONA WATER COMPANY, AN  
ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE FAIR VALUE  
OF ITS UTILITY PLANT AND PROPERTY,  
AND FOR ADJUSTMENTS TO ITS RATES  
AND CHARGES FOR UTILITY SERVICE  
AND FOR CERTAIN RELATED  
APPROVALS BASED THEREON

DOCKET NO. W-01445A-08-0440

**JOINT STIPULATION AND MOTION**  
*(Expedited Action Requested)*

Following the entry of a November 4, 2008 procedural order (the “Order”) in this docket that directed Arizona Water Company (the “Company”) to provide notice of the hearings scheduled in this case in the manner directed in the Order, Staff, the Residential Utility Consumers Office (“RUCO”) and the Company met and conferred concerning an alternative form of notice to be provided to the Company’s customers.

Staff, RUCO and the Company have reached an agreement and Stipulate and agree that the form of notice attached hereto as Attachment A should be used to provide notice to customers, by publication and mailing.

In addition, Staff, RUCO and the Company request that the Commission enter a procedural order approving the Company’s use of the form of notice provided in Attachment A. The parties also request that the procedural order be entered at the earliest possible time in order that the Company be able to comply with the timing of the notice as provided in the Order.

1 RESPECTFULLY SUBMITTED this 5<sup>TH</sup> day of February 2009.

2 ARIZONA WATER COMPANY

3  
4 By: Robert Geake  
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21 Robin Mitchell  
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24 Attorney for Arizona Corporation  
25 Commission Staff

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Daniel W. Pozefsky, Chief Counsel  
Residential Utility Consumer Office  
1110 W. Washington Street, Suite 220  
Phoenix, AZ 85007

1 An original and fifteen (15) copies of the foregoing were delivered this 5<sup>TH</sup> day of February, 2009  
2 to:

3 Docketing Supervisor  
4 Docket Control Division  
5 Arizona Corporation Commission  
6 1200 West Washington Street  
7 Phoenix, Arizona 85007

8 A copy of the foregoing were delivered this 5<sup>th</sup> day of February, 2009 to:

9 Ms. Lyn Farmer  
10 Chief Administrative Law Judge  
11 Hearing Division  
12 Arizona Corporation Commission  
13 1200 West Washington Street  
14 Phoenix, Arizona 85007

15 Mr. Ernest G. Johnson, Director  
16 Utilities Division  
17 Arizona Corporation Commission  
18 1200 West Washington Street  
19 Phoenix, Arizona 85007

20 Janice Alward, Chief Counsel  
21 Legal Division  
22 Arizona Corporation Commission  
23 1200 West Washington Street  
24 Phoenix, Arizona 85007

25  
26  
27  
28  
By: Robert Meake

**PUBLIC NOTICE OF HEARING ON THE APPLICATION OF ARIZONA  
WATER COMPANY FOR AN INCREASE IN ITS RATES**  
**(Docket No. W-01445A-08-0440)**

**Summary of Application**

On August 22, 2008, Arizona Water Company ("AWC" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase for all of its operating groups (Northern, Eastern, and Western), which include the following water systems: Superstition, Bisbee, Sierra Vista, San Manuel, Oracle, Winkelman, Miami, Casa Grande, Stanfield, White Tank, Ajo, Coolidge, Lakeside, Overgaard, Sedona, Pinewood, and Rimrock. **With this rate application, AWC requests an overall company-wide increase in base revenues of \$15,441,290, or 35.61 percent. AWC has various surcharges currently in effect which collectively represent \$4,962,997 in annual revenues. These surcharges will be eliminated or reset to zero as a result of this proceeding, thereby reducing the actual increase over current revenues proposed by AWC to \$10,478,293, or 24.16 percent.**

**[COMPANY INCLUDE APPROPRIATE PARAGRAPH(S) FROM THE  
FOLLOWING 17 PARAGRAPHS]**

For its **Superstition** water system, the average customer with a 5/8 x 3/4-inch meter in Apache Junction would experience an increase of \$7.05, or 20.80% per month (based on the average usage of 7,438 gallons). The average customer with a 5/8 x 3/4-inch meter in Superior would experience an increase of \$4.68, or 14.33% per month (based on the average usage of 6,278 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

For its **Bisbee** water system, the average customer with a 5/8 x 3/4-inch meter would experience an increase of \$5.44, or 18.23% per month (based on the average usage of 5,215 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

For its **Sierra Vista** water system, the average customer with a 5/8 x 3/4-inch meter would experience an increase of \$1.32, or 4.45% per month (based on the average usage of 8,924 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

For its **San Manuel** water system, the average customer with a 5/8 x 3/4-inch meter would experience an increase of \$8.33, or 19.05% per month (based on the average usage of 8,744 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

For its **Oracle** water system, the average customer with a 5/8 x 3/4-inch meter would experience an increase of \$3.04, or 6.44% per month (based on the average usage of 5,605 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

## ATTACHMENT A

For its **Winkelman** water system, the average customer with a 5/8 x 3/4-inch meter would experience an increase of \$11.20, or 47.25% per month (based on the average usage of 9,459 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

For its **Miami** water system, the average customer with a 5/8 x 3/4-inch meter would experience an increase of \$2.07, or 6.04% per month (based on the average usage of 5,995 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

For its **Casa Grande** water system, the average customer with a 5/8 x 3/4-inch meter would experience an increase of \$6.94, or 25.91% per month (based on the average usage of 8,843 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

For its **Stanfield** water system, the average customer with a 5/8 x 3/4-inch meter would experience a decrease of \$0.36, or 0.85% per month (based on the average usage of 9,162 gallons). **The actual percentage rate increase/decrease for individual customers would vary depending upon the type and quantity of service provided.**

For its **White Tank** water system, the average customer with a 5/8 x 3/4-inch meter would experience an increase of \$18.55, or 36.38% per month (based on the average usage of 15,648 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

For its **Ajo** water system, the average customer with a 5/8 x 3/4-inch meter would experience an increase of \$9.25, or 19.87% per month (based on the average usage of 5,185 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

For its **Coolidge** water system, the average customer with a 5/8 x 3/4-inch meter would experience an increase of \$6.70, or 26.17% per month (based on the average usage of 8,134 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

For its **Lakeside** water system, the average customer with a 5/8 x 3/4-inch meter would experience an increase of \$0.37, or 1.04% per month (based on the average usage of 4,312 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

For its **Overgaard** water system, the average customer with a 5/8 x 3/4-inch meter would experience a decrease of \$3.53, or 11.49% per month (based on the average usage of 2,765 gallons). **The actual percentage rate increase/decrease for individual customers would vary depending upon the type and quantity of service provided.**

## ATTACHMENT A

For its **Sedona** water system, the average customer with a 5/8 x 3/4-inch meter would experience an increase of \$14.60, or 42.03% per month (based on the average usage of 10,264 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

For its **Pinewood** water system, the average customer with a 5/8 x 3/4-inch meter would experience an increase of \$1.65, or 5.69% per month (based on the average usage of 2,407 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

For its **Rimrock** water system, the average customer with a 5/8 x 3/4-inch meter would experience an increase of \$2.12, or 4.82% per month (based on the average usage of 6,165 gallons). **The actual percentage rate increase for individual customers would vary depending upon the type and quantity of service provided.**

The Commission's Utilities Division Staff ("Staff") is in the process of auditing and analyzing AWC's application and Staff has not yet made any recommendations regarding the Company's proposed rate increase. The Residential Utility Consumer Office is a party to this proceeding and will also analyze the application and make recommendations to the Commission. The Commission will determine the appropriate rate adjustment to be granted based on its consideration of the evidence presented by the parties. However, the Commission is not bound by the proposals made by the Company, Staff, or any intervenors and, therefore, the final rates approved by the Commission may be higher or lower than the rates proposed by AWC.

### **How You Can View or Obtain a Copy of the Rate Proposal**

Copies of the application and proposed rates are available at AWC's offices located at 3805 North Black Canyon Highway, Phoenix, Arizona 85015, and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the Internet via the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function. If you have questions regarding the effect of the proposed rate increase on your monthly bill, you may contact AWC's local office at the number provided on your water bill.

### **Arizona Corporation Commission Public Hearing Information**

**The Commission will hold a hearing on this matter beginning August 31, 2009, at 9:30 a.m.,** at the Commission's offices, Hearing Room #1, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No.W-01445A-08-0440 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by email. For a form to use and instructions on how to e-mail comments to the Commission, go to <http://www.azcc.gov/divisions/utilities/forms/publiccomment.pdf>. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000, 602-542-4251 (in the Phoenix area), or 520-628-6550 (Tucson).

## ATTACHMENT A

### **About Intervention**

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. Persons desiring to intervene must file a written motion to intervene with the Commission, which motion should be sent to AWC or its counsel and to all parties of record, and which, at the minimum, shall contain the following:

1. Your name, address, and telephone number and the name, address, and telephone number of any party upon whom service of documents is to be made, if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of AWC, a shareholder of AWC, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to AWC or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that **all motions to intervene must be filed on or before June 1, 2009**. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

### **ADA/Equal Access Information**

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, at [SBernal@azcc.gov](mailto:SBernal@azcc.gov), voice phone number (602) 542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.