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ARIZONA CORP COMMISSION
DOCKET CONTROL

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Attorneys for Abbott Laboratories

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

Notice of Filing Witness Summaries

Abbott Laboratories, through its undersigned counsel, hereby provides notice of filing witness summaries pursuant to the Procedural Order dated November 4, 2008 for the following witnesses: Stephen V. Chasse and Dan Neidlinger.

RESPECTFULLY SUBMITTED this 28th day of August 2009.

RYLEY CARLOCK & APPLEWHITE

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Arizona Corporation Commission
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1 An original and thirteen copies of the
2 foregoing filed this 28th day of August 2009
3 with:

4 Docket Control
5 Arizona Corporation Commission
6 1200 W. Washington St.
7 Phoenix, Arizona 85007

8 Copies of the foregoing hand-delivered this 28th
9 day of August 2009 to:

10 Dwight D. Nodes
11 Assist. Chief Administrative Law Judge
12 Hearing Division
13 Arizona Corporation Commission
14 1200 W. Washington St.
15 Phoenix, Arizona 85007

16 Wesley C. Van Cleve, Attorney
17 Nancy L. Scott, Attorney
18 Legal Division
19 Arizona Corporation Commission
20 1200 W. Washington St.
21 Phoenix, Arizona 85007

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28 By Mich Van Quathem

1 **Summary of Testimony**

2 **Stephen V. Chasse**

3
4 Stephen V. Chasse is the Manager of Facilities and Utilities for the Abbott Nutrition
5 Division's Casa Grande manufacturing plant. The plant purchases water through a six-inch
6 meter from Arizona Water Company, and uses the water to manufacture a variety of infant
7 formula and adult nutritional products. The plant employs 450 employees and operates 24 hours
8 per day, 365 days per year.

9 Arizona Water Company withdraws groundwater through a well, adds chlorine, and
10 delivers the water to Abbott through a dedicated, seven-mile pipeline. Arizona Water Company
11 does not provide any other treatment for water delivered to Abbott. Abbott treats the water
12 received from the Arizona Water Company in a reverse osmosis water treatment plant to ensure
13 water used in the plant meets applicable water quality standards. Abbott's treatment process
14 includes arsenic and fluoride removal. The Arizona Department of Environmental Quality
15 monitors compliance with drinking water quality standards at the outflow from Abbott's water
16 treatment plant.

17 Even though Abbott treats the water provided by Arizona Water Company at Abbott's
18 own expense (at a cost of \$0.74 per thousand gallons in 2008), Abbott currently pays Arizona
19 Water Company a \$0.2147 per 1000 gallon total arsenic surcharge. Arizona Water Company is
20 proposing to incorporate a portion of the current arsenic surcharge (\$0.1558 per 1,000 gallons)
21 in Abbott's new Industrial base rate of \$1.6430 per 1000 gallons. Under both the current and
22 proposed rates, Abbott is required to pay an arsenic treatment cost that is not incurred by
23 Arizona Water Company in providing service to Abbott.

24 To reduce operational costs and to promote sustainability, Abbott has focused, and
25 continues to focus, significant resources toward conserving water at the Casa Grande plant.
26 Abbott has reduced its water consumption per pound of product significantly in the past five
27 years, with an aggressive corporate goal of achieving 40% water use reduction by 2011, using
28 Abbott's 2004 usage as a baseline, indexed to sales. Abbott has significant financial and
environmental incentives to reduce the amount of water it must purchase and use, including the
cost of water, water treatment, and wastewater treatment. Arizona Water Company's industrial
customers are already paying significantly more for water service than the cost of service, and
additional water price increases or incentives for the small number of industrial water users in
Arizona Water Company's Casa Grande system are not needed to further promote conservation.

