

ORIGINAL

OPEN MEETING AGENDA ITEM



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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

- KRISTIN K. MAYES, Chairman
- GARY PIERCE
- PAUL NEWMAN
- SANDRA D. KENNEDY
- BOB STUMP

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 ARIZONA CORPORATION COMMISSION
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IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS AGUA FRIA WATER DISTRICT, HAVASU WATER DISTRICT, MOHAVE WATER DISTRICT, PARADISE VALLEY WATER DISTRICT, SUN CITY WEST WATER DISTRICT AND TUBAC WATER DISTRICT.

DOCKET NO. W-01303A-08-0227

Arizona Corporation Commission
DOCKETED

NOV 12 2009

DOCKETED BY	<i>MM</i>
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IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS MOHAVE WASTEWATER DISTRICT.

DOCKET NO. SW-01303A-08-0227

STAFF CLARIFICATIONS TO THE RECOMMENDED OPINION AND ORDER

Although Staff takes no substantive exceptions to the Recommended Opinion and Order ("ROO"), Staff hereby proposes changes to what appear to be typographical or clerical errors in the ROO. Staff respectfully requests that the following clarifications be made to the ROO:

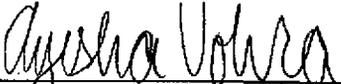
1. Page 12, line 7, insert "not" between "and" and "providing."
2. Page 60, line 19.5, delete "routing," insert "routine."
3. Page 69, line 4, delete "Lake Havasu City" and insert "Bullhead City."
4. Page 69, line 8, delete "Bullhead City" and insert "Lake Havasu City."
5. Page 71, lines 19-20, delete "actual" and insert "incremental" between "defer" and "White Tanks Plant . . ."
6. Page 71, lines 23 and 24, insert "owner and" between "sole" and "operator."

1 7. Page 71-72, paragraph 120. Delete paragraph 120 and insert:

2 120. The Company proposed specific accounting entries, as set forth in
3 the discussion herein, which will allow the Company to continue to offset
4 the actual and remaining costs of the White Tanks Plant, including
5 accumulated AFUDC, by available incremental hook-up fees which are
6 recommended to be not subject to offset in this proceeding and which are
7 collected under the Common Facilities Hook-Up Fee (Water) Tariff
8 Schedule for the Company's Agua Fria Water district, and to record post-
9 in-service AFUDC after the White Tanks Plant goes into service for the
10 plants costs that are in excess of the hook-up fees collected and
11 recommended not to be subject to offset in this proceeding, and to defer
12 post-in-service depreciation expense in excess of the associated
13 amortization of those hook-up fees. The accounting entries proposed by
14 the Company present a reasonable means, pending the Company's next
15 rate filing for the Agua Fria Water district, of permitting the Company to
16 recover its White Tanks Plant capital costs on an on-going basis, and
17 thereby avoid a reduction in earnings, while providing a benefit to
18 ratepayers by minimizing post-in service AFUDC and deferred
19 depreciation expense. The necessity of continuing these accounting
20 procedures should be addressed in the Company's next rate filing for its
21 Agua Fria Water district.

- 22
- 23 8. Page 78, line 8, insert "incremental" between "defer" and "operation" and change
24 "operation" to "operating."
- 25 9. Page 78, line 12, insert "owner and" between "sole" and "operator."
- 26 10. Exhibit A, Add "AGUA FRIA WATER DISTRICT" under "Common Facilities
27 Hook-Up Fee (water)."
- 28 11. Exhibit C "Figure 7," insert "Mohave Wastewater District" to the heading section after
"Arizona American Water Company."

RESPECTFULLY SUBMITTED this 12th day of November, 2009.



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2 of the foregoing were filed this
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