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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

- KRISTIN K. MAYES - Chairman
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2010 APR 13 A 11:17
AZ CORP COMMISSION
DOCKET CONTROL

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 ANTHEM WATER DISTRICT AND ITS SUN CITY WATER DISTRICT, AND POSSIBLE RATE CONSOLIDATION FOR ALL OF ARIZONA-AMERICAN WATER COMPANY'S DISTRICTS.

DOCKET NO. W-01303A-09-0343

Arizona Corporation Commission
DOCKETED

APR 13 2010

DOCKETED BY [Signature]

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 ANTHEM/AGUA FRIA WASTEWATER DISTRICT, ITS SUN CITY WASTEWATER DISTRICT AND ITS SUN CITY WEST WASTEWATER DISTRICT, AND POSSIBLE RATE CONSOLIDATION FOR ALL OF ARIZONA-AMERICAN WATER COMPANY'S DISTRICTS.

DOCKET NO. SW-01303A-09-0343

PROCEDURAL ORDER

BY THE COMMISSION:

On July 2, 2009, Arizona-American Water Company ("Arizona-American" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for rate increases for its Anthem Water District, Sun City Water District, Anthem/Agua Fria Wastewater District, Sun City Wastewater District, and Sun City West Wastewater District.

Intervention in this matter has been granted to the Residential Utility Consumer Office ("RUCO"); Anthem Community Council; Sun City West Property Owners and Residents Association ("PORA"); W.R. Hansen; the Water Utility Association of Arizona; the Camelback Inn, Sanctuary on

1 Camelback Mountain, the Intercontinental Montelucia Resort and Spa, and the Scottsdale
2 Cottonwoods Resort and Suites (collectively the "Resorts"); the Town of Paradise Valley ("Paradise
3 Valley"), the Anthem Golf and Country Club, and Marshall Magruder.

4 On March 18, 2010, a procedural order was issued bifurcating the hearing in this matter into
5 two phases, with the second phase to include Commission consideration of rate design and rate
6 consolidation issues, and setting associated procedural deadlines. The second phase of the hearing is
7 scheduled to begin on May 18, 2010. Rate design and rate consolidation issues will not be
8 considered during the first phase of the hearing. The procedural order directed the Company to mail
9 notice of the bifurcation and the new intervention deadline of April 15, 2010, for rate design and rate
10 consolidation issues.

11 On March 19, 2010, the Company filed a copy of an email it received from W.R. Hansen.

12 On March 22 and 23, 2010, the Company filed rebuttal testimony and schedules.

13 On March 23, 2010, a Procedural Order was issued setting a public comment session to be
14 held on April 7, 2010, in Anthem, Arizona, to allow customers to provide public comment for the
15 record in this case.

16 On March 30, 2010, the Commission's Utilities Division ("Staff") filed direct testimony on
17 rate design and rate consolidation.

18 Also on March 30, 2010, Arizona-American filed a Notice of Filing Affidavit of Customer
19 Notice indicating that it had mailed the notice required by the March 18, 2010 procedural order to all
20 its customers on March 25, 2010.

21 On March 31, 2010, Arizona-American filed a Motion to Allow Witness to Appear
22 Telephonically in which the Company requested that its capital witness, Dr. Bente Villadsen, be
23 allowed to appear telephonically.

24 On April 2, 2010, a Procedural Order was issued granting Arizona-American's request for an
25 extension of time to April 7, 2010, for the Company to file its rebuttal testimony on the issue of rate
26 design, including Staff's rate consolidation proposals.

27 On April 7, 2010, W.R. Hansen and the Company filed rebuttal testimony on rate design and
28 rate consolidation.

1 On April 7, 2010, the Commission conducted a public comment as scheduled in Anthem,
2 Arizona.

3 No response to the Company's March 31, 2010 Motion to Allow Witness to Appear
4 Telephonically was filed. The Company's request for its cost of capital witness Dr. Bente Villadsen
5 to appear telephonically is reasonable and should be granted.

6 IT IS THEREFORE ORDERED that Arizona-American Water Company's cost of capital
7 witness, Dr. Bente Villadsen, shall be permitted to appear telephonically at the hearing in this
8 proceeding.

9 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
10 Communications) continues to apply to this proceeding and shall remain in effect until the
11 Commission's Decision in this matter is final and non-appealable.

12 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
13 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
14 hearing.

15 DATED this 13th day of April, 2010.

16
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18 
19 TEENA WOLFE
ADMINISTRATIVE LAW JUDGE

20 Copies of the foregoing mailed/delivered
this 13th day of April, 2010 to:

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27 By: 
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28 Secretary to Teena Wolfe