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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

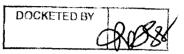
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GARY PIERCE - Chairman BOB STUMP SANDRA D. KENNEDY PAUL NEWMAN AZ CORP COMMISSION DOCKET CONTROL

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

9 VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS
10 RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS AGUA FRIA WATER DISTRICT, HAVASU WATER DISTRICT, AND MOHAVE WATER DISTRICT.

DOCKET NO. W-01303A-10-0448

PROCEDURAL ORDER
SETTING PUBLIC COMMENT
HEARINGS IN SURPRISE AND
BULLHEAD CITY, ARIZONA

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BY THE COMMISSION:

On November 13, 2010, Arizona-American Water Company ("Arizona-American" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for rate increases for its Agua Fria Water district, Havasu Water district and Mohave Water district.

On January 20, 2011, a Rate Case Procedural Order was issued setting a date for commencement of the hearing in this matter and setting associated procedural deadlines. The hearing is scheduled to commence on August 17, 2011, at 1:00 p.m., at which time the parties may provide opening statements and public comments will be taken. A pre-hearing conference is scheduled to be held on August 15, 2011, commencing at 2:00 p.m., for the purpose of scheduling witnesses and the conduct of the hearing.

On March 21, 2011, Arizona-American filed affidavits indicating that it caused publication of notice of the application and hearing, as well as mailing notice of the application and hearing to all affected customers, as required by the Rate Case Procedural Order.

Intervention in this proceeding has been granted to the Residential Utility Consumer Office, the Water Utility Association of Arizona, Sun City Grand Community Association, Inc., Mashie, LLC dba Corte Bella Golf Club, Kenneth Hewitt, Verrado Community Association, Inc., and DMB White Tank, LLC. The Commission's Utilities Division is also a party to this proceeding.

The Commission has received a large number of public comments expressing concern or opposition to the proposed rate increases.

The Commission has scheduled local public comment hearings in Surprise, Arizona and Bullhead City, Arizona in order to provide a forum for customers to attend, without the necessity of traveling to the Commission's Phoenix offices, in order to express their concerns to the Commission and assist the Commission in its deliberations on this matter.

IT IS THEREFORE ORDERED that a public comment session shall be held in Surprise, Arizona on August 22, 2011, commencing at 6:00 p.m., or as soon thereafter as practicable, at Sonoran Plaza, located at 19753 N. Remington Drive, Surprise, Arizona 85374 in order to allow customers of Arizona American Water Company's Agua Fria Water district to provide public comment for the record in this case.

IT IS FURTHER ORDERED that a public comment session shall be held in Bullhead City, Arizona on August 25, 2011, commencing at 6:00 p.m., or as soon thereafter as practicable, at Mohave High School, located at 2251 Highway 95, Bullhead City, Arizona, 86442 in order to allow customers of Arizona American Water Company's Havasu Water district and Mohave Water district to provide public comment for the record in this case.

IT IS FURTHER ORDERED that the Company shall provide public notice of the public comment sessions on this matter, in the following form and style, with the heading in no less than 24 point bold type and the body in no less than 10 point regular type:

PUBLIC NOTICE OF PUBLIC COMMENT SESSIONS IN SURPRISE AND BULLHEAD CITY ON THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY FOR RATE INCREASES FOR UTILITY SERVICE IN ITS AGUA FRIA WATER DISTRICT, HAVASU WATER DISTRICT, AND MOHAVE WATER DISTRICT.

(DOCKET NO. W-01303A-10-0448)

On November 3, 2010, Arizona-American Water Company, Inc. ("Arizona-American" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for permanent revenue increases for its Agua Fria Water district, Havasu Water district, and Mohave Water district.

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Commission Sets Local Public Comment Sessions

The Commission has recently set two local public comment sessions, to be held in Bullhead City and Surprise. Details of the currently scheduled public comment sessions appear below.

The Company has previously provided public notice of the evidentiary hearing on the application, which is scheduled to commence on August 17, 2011, at 1:00 p.m., or as soon thereafter as practicable, at the Commission's offices, 1200 West Washington Street, Hearing Room No. 1, Phoenix, Arizona 85007.

Written public comments may be submitted by mailing a letter referencing Docket No. W-01303A-10-0448 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/public_comment.pdf. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or 602-542-4251.

Bullhead City Public Comment Session Information

The Commission will hold a public comment session on the rate application on August 25, 2011, commencing at 6:00 p.m., or as soon thereafter as practicable, at Mohave High School, located at 2251 Highway 95, Bullhead City, Arizona, 86442.

Surprise Public Comment Session Information

The Commission will hold a public comment session on the rate application on August 22, 2011, commencing at 6:00 p.m., or as soon thereafter as practicable, at Sonoran Plaza, located at 19753 N. Remington Drive, Surprise, Arizona 85374.

How You Can View or Obtain a Copy of the Rate Proposal and Parties' Filings

Copies of the application and proposed tariffs are available at the Company's offices **[COMPANY INSERT ADDRESS].** Copies of the application and all filings in this docket are also available at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona and on the internet via the Commission website (www.azcc.gov) using the e-docket function located at the bottom of the page.

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, E-mail SABernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that Arizona-American Water Company shall cause the above notice to be published at least twice in a newspaper of general circulation in its Agua Fria Water district, Mohave Water District, and Havasu Water District, with publication to be completed no later than August 12, 2011.

IT IS FURTHER ORDERED that Arizona-American Water Company shall cause a copy of 1 2 the above notice to be mailed to each of its customers served by its Agua Fria Water district, Mohave Water District, and Havasu Water District, with mailing to be completed no later than August 12, 3 4 2011. 5 IT IS FURTHER ORDERED that Arizona-American Water Company shall file certification 6 of publication and mailing no later than August 19, 2011. IT IS FURTHER ORDERED that notice shall be deemed complete upon publication of same, 7 8 notwithstanding the failure of an individual customer to read or receive the notice. IT IS FURTHER ORDERED that the time periods specified herein shall not be extended 9 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure. 10 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules 11 31, 38, and 42 and A.R.S. § 40-243 with respect to the practice of law. 12 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance 13 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona 14 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings 15 and procedural conferences, as well as all Open Meetings for which the matter is scheduled for 16 discussion, unless counsel has previously been granted permission to withdraw by the Administrative 17 18 Law Judge or the Commission. 19 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized Communications) continues to apply to this proceeding and shall remain in effect until the 20 Commission's Decision in this matter is final and non-appealable. 21 22 23 24 25 26 27

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IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, 1 2 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at 3 hearing. day of July, 2011. DATED this 4 5 6 TEENAMBILIAN 7 ADMÍŇISTRATIVE LAW JUDGE 8 Copies of the foregoing mailed/delivered this John day of July, 2011 to: Janice Alward, Chief Counsel Thomas H. Campbell Michael T. Hallam Legal Division 10 LEWIS AND ROCA LLP ARIZONA CORPORATION COMMISSION 1200 West Washington Street 40 North Central Avenue 11 Phoenix, AZ 85007 Phoenix, AZ 85004 Attorneys for Arizona-American Water Co. 12 Steven M. Olea, Director **Utilities Division** Michelle Wood, Counsel 13 ARIZONA CORPORATION COMMISSION RESIDENTIAL UTILITY CONSUMER OFFICE 1200 West Washington Street 1110 West Washington Street, Suite 220 Phoenix, AZ 85007 14 Phoenix, AZ 85007 ARIZONA REPORTING SERVICE, INC. Greg Patterson, Director 15 2200 N. Central Ave., Suite 502 WATER UTILITY ASSOCIATION Phoenix AZ 85004-1481 OF ARIZONA 16 916 West Adams, Suite 3 By: Phoenix, AZ 85007 17 Debbi Person Assistant to Teena Jibilian Joan S. Burke 18 LAW OFFICE OF JOAN S. BURKE 1650 North First Avenue 19 Phoenix, AZ 85003 Attorney for Corte Bella 20 Kenneth Hewitt 18729 North Palermo Court 21 Surprise, AZ 85387 22 Curtis S. Ekmark EKMARK & EKMARK, L.L.C. 23 6720 North Scottsdale Road, Suite 261 Scottsdale, AZ 85253 24 Attorneys for SCGCA 25 Michele L. Van Quathem RYLEY CARLOCK & APPLEWHITE, P.A. One North Central Avenue Suite 1200 26 Phoenix, AZ 85004-4417 Attorneys for Verrado and DMB 27

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