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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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Arizona Corporation Commission
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FEB 13 2012

DOCKETED BY [Signature]

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 FURNISHED BY ITS WESTERN GROUP AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01445A-10-0517

PROCEDURAL ORDER

BY THE COMMISSION:

On May 9, 2011,¹ Arizona Water Company ("AWC") filed with the Arizona Corporation Commission ("Commission") an Amended Application requesting adjustments to its rates and charges for utility service provided by its Western Group water systems, including its Pinal Valley (Casa Grande, Coolidge, and Stanfield); Ajo; and White Tank water systems. AWC's Amended Application uses a test year ending December 31, 2010.

Since that time, the Amended Application has been declared sufficient by the Commission's Utilities Division ("Staff"); intervention has been granted to the Residential Utility Consumer Office ("RUCO"), Abbott Laboratories ("Abbott"), and Water Utilities Association of Arizona ("WUAA"); a procedural schedule has been established and adjusted; AWC has filed certification showing that notice of the hearing scheduled in this matter has been mailed to each of its customers and published in several newspapers; and direct and rebuttal testimony has been filed. In addition, notice of the parties' settlement discussions, commencing in late January 2012, has been filed.

On January 27, 2012, a procedural conference was held, with all parties but WUAA appearing through counsel. The parties requested a dual track schedule be established, to accommodate their settlement discussions and the possibility of settlement, and it was agreed that such a dual track

¹ The filings and events that occurred in this docket prior to this date are detailed in previous Procedural Orders.

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1 schedule would be established. A Procedural Order establishing the dual track schedule was issued
2 on January 31, 2012. Under the schedule, if settlement were reached before February 10, 2012, the
3 settlement agreement would be filed by February 15, 2012; the pre-hearing conference scheduled for
4 February 17, 2012, would not take place; the hearing scheduled for February 21, 2012, would instead
5 proceed for the taking of public comment only; testimony would be filed February 21 and 27, 2012;
6 and the evidentiary hearing will proceed on March 1 and 2, 2012, and on such other dates as may be
7 needed.

8 On February 10, 2012, AWC and Staff filed a Joint Request for a Procedural Conference
9 (“Joint Request”). In the Joint Request, AWC and Staff indicate that the parties, including
10 intervenors, were able to achieve settlement of the issues in this proceeding in meetings held on
11 January 31 and February 2, 2012; that the settlement is being documented; and that a settlement
12 agreement including schedules will be filed by February 15, 2012. AWC and Staff further request
13 that a procedural conference be scheduled, as soon as possible, to discuss the rate increase for a
14 particular class of customers served by AWC’s White Tank system; whether additional notice may be
15 needed for those customers; and, if so, what form of notice and in what manner. AWC and Staff
16 assert that the parties desire for the hearing on the settlement agreement to proceed on March 1 as
17 previously discussed, with the February 21, 2012, hearing date being used only for public comment.

18 AWC and Staff’s Joint Request is reasonable, and a telephonic procedural conference will be
19 held today to address whether additional notice is necessary and, if so, in what manner. In addition,
20 the impact that any such notice would have on the March 1 starting date for the evidentiary hearing
21 will also be discussed.

22 In addition, because the parties have reached a settlement, it is now necessary and appropriate
23 to clarify that the pre-hearing conference scheduled for February 17, 2012, is vacated; that the
24 February 21, 2012, hearing will proceed only for the taking of public comment; and that the
25 evidentiary hearing will commence on March 1, 2012, and, if necessary, continue on March 2, 2012,
26 and such other dates as may be scheduled.

27 IT IS THEREFORE ORDERED that a **telephonic procedural conference** shall be held on
28 **February 13, 2012, at 3:00 p.m.**, with all parties to dial into the bridge number provided by AWC

1 and sent by the Hearing Division via e-mail.

2 IT IS FURTHER ORDERED that the **pre-hearing conference scheduled for February 17,**
3 **2012, is hereby vacated.**

4 IT IS FURTHER ORDERED that the hearing scheduled for **February 21, 2012,** at the
5 Commission's offices in Phoenix, **shall proceed only for the taking of public comment.**

6 IT IS FURTHER ORDERED that the **evidentiary portion of the hearing** in this matter shall
7 commence on **March 1, 2012, at 9:30 a.m.,** and continue on March 2, 2012, and such other dates as
8 are necessary and established.

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

12 DATED this 13th day of February, 2012.

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16 SARAH N. HARPRING
ADMINISTRATIVE LAW JUDGE

17 Copies of the foregoing mailed/delivered and e-mailed
18 this 13th day of February, 2012 to:

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