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Arizona Corporation Commission  
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS

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

Abbott Laboratories'  
Notice of Filing Testimony Summary

Abbott Laboratories, through its undersigned counsel, hereby provides notice of filing the  
Summary of Testimony of Stephen V. Chasse in the above-referenced matter.

RESPECTFULLY SUBMITTED this 28<sup>th</sup> day of February 2012.

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1 An original and thirteen copies of the  
2 foregoing filed this 28<sup>th</sup> day of  
3 February 2012 with:

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

8 Copies of the foregoing mailed this  
9 28<sup>th</sup> day of February 2012 to:

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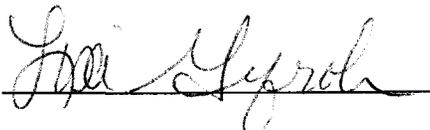
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**ARIZONA WATER COMPANY  
DOCKET NO. W-01445A-10-0517  
RATE APPLICATION**

**Summary of the Testimony of  
Stephen V. Chasse  
on behalf of Abbott Laboratories**

Stephen Chasse is the Manager of Facilities and Utilities for Abbott Laboratories' Casa Grande manufacturing plant. Mr. Chasse testifies in support of the Settlement Agreement entered into by the parties docketed on February 15, 2012.

Mr. Chasse describes Abbott's litigation position in this case. Abbott did not assert a position regarding the overall proposed rate increase, but testified regarding rate design. Abbott's position regarding rate design is that large industrial customers in the Pinal Valley system such as Abbott should not be required to pay tiered rates because rate tiers are not needed to encourage additional conservation in this category of customers. Abbott has taken significant steps to conserve water to achieve aggressive corporate conservation goals and will continue to do so without tiered rates.

In addition, Abbott's litigation position on rate design is that customers should pay rates that reflect the Company's cost of providing service to those customers. The rate proposed in the Settlement Agreement for six-inch industrial customers in the Pinal Valley system consists of a higher base charge, \$800.00 per month, with a higher flat commodity rate, \$1.55 per 1000 gallons. The rate design as proposed in the Settlement Agreement more closely reflects the cost of service than some other parties' initial rate design proposals.

Further, Mr. Chasse testifies regarding the parties' agreement regarding the applicability of the Arsenic Cost Recovery Mechanism surcharge to non-potable industrial customers and language in the new off-site facilities fee tariff regarding redundant connections.