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BEFORE THE ARIZONA CORPORATION COMMISSION

2013 FEB 20 P 4: 26

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COMMISSIONER

EPCOR CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

FEB 20 2013

DOCKETED BY

IN THE MATTER OF THE JOINT  
APPLICATION OF EPCOR WATER  
ARIZONA INC. AND CHAPARRAL CITY  
WATER COMPANY FOR APPROVAL OF  
AN ACCOUNTING ORDER TO DEFER  
POST-IN-SERVICE AFUDC AND  
DEPRECIATION

DOCKET NO. W-01303A-12-0427  
DOCKET NO. SW-01303A-12-0427  
DOCKET NO. W-02113A-12-0427

**NOTICE OF FILING PROPOSED PROCEDURAL SCHEDULE**

Through this filing, EPCOR Water Arizona, Inc. and Chaparral City Water Company (collectively, "Applicants") request that the Administrative Law Judge adopt the dates set forth below as the procedural schedule for the processing of the Application in this matter. Applicants have discussed this schedule with Commission Staff and RUCO, but the parties were not able to reach a schedule acceptable to all parties.

The Applicants proposed schedule is as follows:

<b>Applicants' testimony</b>	<b>March 8, 2013</b>
<b>Newspaper publication</b>	<b>March 15, 2013</b>
<b>Intervention deadline</b>	<b>April 19, 2013</b>
<b>Staff and Intervenor testimony</b>	<b>May 3, 2013</b>
<b>One day hearing</b>	<b>Week of May 13, 2013 (all parties may provide rejoinder testimony on the stand)</b>

1 Applicants submit that this procedural schedule is reasonable in light of the limited  
2 scope of this proceeding and the fact that this proceeding is primarily a matter of policy  
3 and does not require Staff and RUCO to analyze substantial amounts of data. For the  
4 deferrals to be recorded in Applicants' 2013 GAAP books, authorization for this deferral  
5 should occur as soon as possible. In addition, on Friday, February 15, 2013, CCWC filed  
6 a notice that it intends to file a rate case on or after April 1, 2013. Timely resolution of  
7 this issue is important for CCWC so that, if approved, it may be addressed as part of new  
8 rates in that proceeding.

9 Also attached to this filing is a proposed form of Notice for publication. Applicants  
10 have provided a copy of this Notice to Commission Staff and RUCO and have  
11 incorporated comments from Staff into the Notice.

12 RESPECTFULLY SUBMITTED this 20th day of February, 2013.

13  
14 LEWIS AND ROCA, LLP

15  
16 By 

17 Thomas H. Campbell  
18 Michael T. Hallam  
19 40 N. Central Avenue  
20 Phoenix, Arizona 85004  
21 Attorneys for EPCOR Water Arizona, Inc. and  
22 Chaparral City Water Company

23 ORIGINAL and thirteen (13) copies  
24 of the foregoing filed  
25 this 20th day of February, 2013, with:

26 The Arizona Corporation Commission  
Utilities Division – Docket Control  
1200 W. Washington Street  
Phoenix, Arizona 85007

Copy of the foregoing hand-delivered  
this 20th day of February, 2013, to:

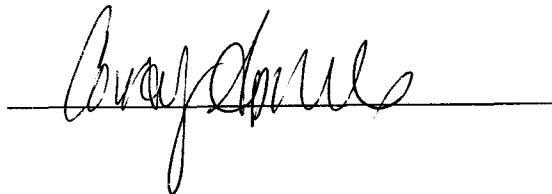
1 Steve Olea  
2 Utilities Division  
3 Arizona Corporation Commission  
4 1200 W. Washington Street  
5 Phoenix, Arizona 85007

6 Tecna Jibilian  
7 Administrative Law Judge, Hearing Division  
8 Arizona Corporation Commission  
9 1200 West Washington Street  
10 Phoenix, AZ 85007

11 Robin Mitchell  
12 Legal Department  
13 Arizona Corporation Commission  
14 1200 W. Washington Street  
15 Phoenix, Arizona 85007

16 Copy of the foregoing mailed  
17 this 20th day of February, 2013, to:

18 Michelle Wood  
19 RUCO  
20 1110 W. Washington St.  
21 Suite 220  
22 Phoenix, AZ 85007

23  
24  
25  
26  


**In the Matter of the Joint Application of EPCOR Water Arizona, Inc. and Chaparral City  
Water Company for Approval of an Accounting Order  
Docket Nos. W-01303A-12-0427, SW-01303A-12-0427, and W-02113A-12-0427**

EPCOR Water Arizona Inc. (“EWAZ”) and Chaparral City Water Company (“CCWC”) (collectively, “Applicants”) filed an Application with the Arizona Corporation Commission (“Commission”) on October 2, 2012, requesting the approval of an accounting order to defer post-in-service Allowance for Funds Used During Construction (“AFUDC”) and associated depreciation and amortization expense for twenty-four months, for CCWC and the EWAZ water districts of Anthem, Havasu, Mohave, Paradise Valley, Sun City, Sun City West, and Tubac; and for the wastewater districts of Mohave and Sun City (“Rate Case Districts”), which are the districts that the Applicants intend to include as part of its 2013 rate case filings. AFUDC accounting adds financing costs incurred during the construction process to the cost of investment. Once the project is completed, those costs are amortized over the life of the investment via depreciation charges. For the remainder of the EWAZ districts not included in the next rate case filing (Agua Fria Water and Agua Fria, Anthem, and Sun City West Wastewater districts), EWAZ also requests approval of an accounting order to defer post-in-service AFUDC and associated depreciation and amortization expense for twenty-four months starting on the first day of the test year for the rate case filings for those districts.

**For the Rate Case Districts, the following are ONLY estimates of residential Percentage Bill Increases and average Monthly Bill Increases if the Application is approved. These changes would not go into effect for customers until after these amounts are addressed in the next rate case for each of the Rate Case Districts. These increases, if approved, may only be a portion of the rate increases the Applicants may request and receive in the next rate case.**

<u>District</u>	<u>Increase Percentage</u>	<u>Increase Monthly Avg. Bill</u>
CCWC	1.12%	\$0.42
Sun City Wastewater	0.20%	\$0.04
Sun City Water	0.35%	\$0.06
Sun City West Water	0.60%	\$0.20
Anthem Water	0.33%	\$0.22
Mohave Water	2.04%	\$0.44
Mohave Wastewater	0.53%	\$0.30
Paradise Valley Water	0.79%	\$0.44
Havasú Water	1.30%	\$0.80
Tubac Water	0.73%	\$0.43

The Commission is not bound by the proposals made by the Applicants, Staff, or any other party; therefore, the amount approved by the Commission may be higher or lower than that requested by the Applicants, or the Commission may deny the request.

### **How You Can View or Obtain a Copy of the Application**

Copies of the Application will be available at the Applicants' office, 2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027 and at the Commission's Docket Control Center, 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the internet via the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the e-docket function. Any questions concerning this Application may be directed to the Applicants at (623) 445-2420.

### **Arizona Corporation Commission Public Hearing Information**

The Commission will hold a hearing on the application beginning \_\_\_\_\_, 2013, at the Commission's offices, 1200 West Washington, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket Nos. W-01303A-12-0427 *et al.* to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, please go to <http://www.azcc.gov/Divisions/Utilities/forms/PublicCommentForm.pdf>. If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

### **About Intervention**

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission no later than \_\_\_\_\_, 2013 and send a copy of the motion to intervene to Applicants or their counsel and to all parties of record. Your motion to intervene must contain the following:

1. Your name, address, and telephone number and the name, address and telephone number of any party upon whom service of documents is to be made if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of CCWC, EWAC, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to Applicants or their counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before \_\_\_\_\_, 2013. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among

other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

**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, at [sabernal@azcc.gov](mailto:sabernal@azcc.gov), voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.