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**BEFORE THE ARIZONA CORPORATION COMMISSIONERS**

BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

2013 FEB 21 P 1:11

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**

FEB 21 2013

DOCKETED BY *JM*

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 EASTERN GROUP AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01445A-11-0310

**PROCEDURAL ORDER**  
**PHASE 2 - DSIC**

**BY THE COMMISSION:**

On August 5, 2011, Arizona Water Company ("AWC") filed with the Arizona Corporation Commission ("Commission") an application requesting adjustments to its rates and charges for utility service provided by its Eastern Group water systems, including its Superstition (Apache Junction, Superior, and Miami); Cochise (Bisbee and Sierra Vista); San Manuel; Oracle; SaddleBrooke Ranch; and Winkelman water systems. AWC also requested several other authorizations in the application.

A Recommended Opinion and Order was issued in this matter on January 30, 2013.

During its Open Meeting on February 12, 2013, the Commission discussed and approved the Recommended Order with certain amendments, including setting procedural deadlines for further consideration of AWC's proposed Distribution System Improvement Charge ("DSIC").<sup>1</sup> The amended Order set forth the following deadlines for the DSIC issue:

|  |                   |
|--|-------------------|
| Intervention Request Deadline            | February 20, 2013 |
| Intervention Ruling Deadline             | February 28, 2013 |
| Earliest Date for Settlement Discussions | February 29, 2013 |
| Latest Date for Procedural Conference    | March 8, 2013     |

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|--|----------------------------------|
| Staff Update on Settlement Discussions | April 9 and 10, 2013 (Open Mtg.) |
| Consideration of DSIC Order            | June 11 and 12, 2013 (Open Mtg.) |

On February 13, 2013, Rio Rico Utilities, Inc. dba Liberty Utilities (“Liberty Utilities”) filed an Application to Intervene.

On February 15, 2013, EPCOR Water Arizona, Inc. (“EPCOR”) and the Arizona Investment Council (“AIC”) filed Motions to Intervene.

On February 20, 2013, the Global Water Utilities (“Global Water”) filed a Motion to Intervene on behalf of its various operating companies.

**IT IS THEREFORE ORDERED that the intervention requests filed by Liberty Utilities, EPCOR, AIC, and Global Water are hereby granted.**

**IT IS FURTHER ORDERED that a hearing on the DSIC issue shall be scheduled to commence on April 8, 2013, at 10:00 a.m., at the offices of the Commission, Hearing Room No. 1, 1200 West Washington, Phoenix, Arizona 85007, with additional hearing days on April 11 and 12, 2013, if necessary.**

**IT IS FURTHER ORDERED that a procedural conference shall be scheduled for March 4, 2013, at 10:00 a.m., at the offices of the Commission, Hearing Room No. 1, 1200 West Washington, Phoenix, Arizona 85007.**

IT IS FURTHER ORDERED that in addition to the hearing and procedural conference dates set forth above, the following procedural schedule is established for this matter:

|   |   |
|---|---|
| <b>Settlement Discussions Commence</b>              | <b>February 29, 2013</b>                |
| <b>Initial Pre-Filed Testimony (All Parties)</b>    | <b>March 22, 2013</b>                   |
| <b>Settlement Agreement Filed (if any)</b>          | <b>April 1, 2013</b>                    |
| <b>Responsive Pre-Filed Testimony (All Parties)</b> | <b>April 5, 2013</b>                    |
| <b>Staff Update on Settlement Discussions</b>       | <b>April 9 and 10, 2013 (Open Mtg.)</b> |

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<sup>1</sup> To date, a formal signed Opinion and Order has not been issued.

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**Post-Hearing Briefs (One Round)**

**April 29, 2013**

**Recommended Opinion and Order**

**May 28, 2013**

**Consideration of DSIC Order**

**June 11 and 12, 2013 (Open Mtg.)**

IT IS FURTHER ORDERED that given the compressed schedule for consideration of the DSIC issue in this docket, **AWC shall order, and bear the cost of providing, expedited transcripts.**

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

DATED this 21<sup>st</sup> day of February, 2013.

  
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DWIGHT D. NODES  
ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered this 21<sup>st</sup> day of February, 2013, to:

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