

ORIGINAL



0000142534

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

BOB STUMP
CHAIRMAN

2013 FEB 25 A 10: 54

GARY PIERCE
COMMISSIONER

CORP COMMISSION
DOCKET CONTROL

BRENDA BURNS
COMMISSIONER

Arizona Corporation Commission

DOCKETED

SUSAN BITTER SMITH
COMMISSIONER

FEB 25 2013

BOB BURNS
COMMISSIONER

DOCKETED BY *DM*

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

REPLY TO STAFF AND RUCO COMMENTS REGARDING
PROCEDURAL SCHEDULE

Through this filing, EPCOR Water Arizona, Inc. and Chaparral City Water Company (collectively, "Applicants") briefly reply to certain of the arguments of Commission Staff and RUCO calling for the suspension of the processing the Applicants' filing.

Both Staff and RUCO argue that the Company's request should be suspended because it is duplicative of a recently ordered follow-on "DSIC" matter in the Arizona Water Company Rate Case (Docket No. 11-0310). First, please note that Docket 12-0427's deferral application includes a request for EWAZ's five wastewater districts, and any DSIC adopted by the Commission in Docket 11-0310 will not consider a DSIC-like mechanism for wastewater providers. Likewise, the upcoming CCWC rate case will not

1 include any of EWAZ's thirteen districts. Second, the requests are not duplicative, as the
2 Applicants' deferral request applies to the substantial period of time (24 months) prior to
3 the Commission possibly granting CCWC or EWAZ relief from regulatory lag through a
4 DSIC.¹ It is Staff's and RUCO's long-standing position that rate mechanisms such as
5 DSIC are approved only in a rate case. As a result, even if approved as a matter of policy
6 in Docket No.11-0310, CCWC and EWAZ will not have the opportunity to implement a
7 DSIC in any district until well after the end of the identified 24- month deferral period.
8 Third, the Company is not aware of Staff formally withdrawing its recommendation in
9 Docket No. 06-0149 *et al.* for the Commission to consider such deferral applications.

10 For these reasons, the Applicants continue to support the schedule outlined in its
11 prior filing. Although the Applicants recognize the limitations on Staff's and RUCO's
12 resources, they continue to believe that their procedural schedule is reasonable in light of
13 the issues raised and strongly believe that the on-going discussion of the DSIC mechanism
14 (which both RUCO and Staff oppose) should not be used as a basis for suspending the
15 processing of this docket.

16 RESPECTFULLY SUBMITTED this 25nd day of February, 2013.

17 LEWIS AND ROCA, LLP

18
19 By 
20 _____
21 Thomas H. Campbell
22 Michael T. Hallam
23 40 N. Central Avenue
24 Phoenix, Arizona 85004
25 Attorneys for EPCOR Water Arizona, Inc. and
26 Chaparral City Water Company

¹ Timely approval of an accounting order in this docket would reduce regulatory lag in 2013 and 2014 by allowing the Applicants to book non-cash post in-service AFUDC.

1 ORIGINAL and thirteen (13) copies
2 of the foregoing filed this
25nd day of February, 2013, with:

3 The Arizona Corporation Commission
4 Utilities Division – Docket Control
5 1200 W. Washington Street
Phoenix, Arizona 85007

6 Copy of the foregoing hand-delivered
7 this 25nd day of February, 2013, to:

8 Steve Olea
9 Utilities Division
Arizona Corporation Commission
10 1200 W. Washington Street
Phoenix, Arizona 85007

11 Teena Jibilian
12 Administrative Law Judge, Hearing Division
Arizona Corporation Commission
13 1200 West Washington Street
Phoenix, AZ 85007

14 Robin Mitchell
15 Legal Department
Arizona Corporation Commission
16 1200 W. Washington Street
Phoenix, Arizona 85007

17 Copy of the foregoing mailed
18 this 25nd day of February, 2013, to:

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

21
22 
23
24
25
26