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BEFORE THE ARIZONA CORPORATION Arizona Corporation Commission

COMMISSIONERS

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

2013 JUN 14 A 11: 19

DOCKETED

JUN 14 2013

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DOCKETED BY *JM*

IN THE MATTER OF THE APPLICATION OF SANDARIO WATER COMPANY, INC. FOR A PERMANENT RATE INCREASE.

DOCKET NO. W-01831A-12-0392

IN THE MATTER OF THE APPLICATION OF SANDARIO WATER COMPANY, INC. FOR AUTHORITY TO INCUR LONG-TERM DEBT.

DOCKET NO. W-01831A-12-0467

PROCEDURAL ORDER

BY THE COMMISSION:

On August 31, 2012, Sandario Water Company, Inc. ("Sandario" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for a permanent rate increase and an application for authority to incur long-term debt on November 14, 2012.

On May 2, 2013, a Procedural Order was docketed consolidating the matters and setting procedural and filing deadlines, noting that additional filings could be required if deemed necessary.

Staff submitted its Revised Staff Report for the consolidated dockets on May 24, 2013.

On June 10, 2013, Sandario filed its Response to the Revised Staff Report ("Response"), objecting to certain Staff recommendations.

After review of the Revised Staff Report and the Company's Response, additional information is necessary to clarify certain issues and concerns.

IT IS THEREFORE ORDERED that Staff shall docket a **Reply to the Response** no later than **July 8, 2013**, discussing the following:

- Recoverability of income tax expense for Sandario as a tax pass-through entity.
- Bases for Staff's project cost estimates.
- Why the WIFA debt service reserve requirement should or should not be included as a component of the WIFA Surcharge.
- Clarification of Staff's recommendation that Sandario may request cost recovery for the actual costs associated with BMP implementation.

- Any other arguments raised by Sandario in its Response that Staff wishes to address.
- Staff should include any revised schedules as necessary.

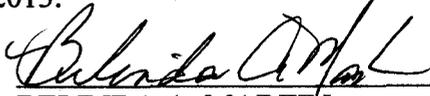
IT IS FURTHER ORDERED that Sandario shall file any **comments to Staff's Reply no later than July 22, 2013.**

IT IS FURTHER ORDERED that the *Ex Parte* Rule (A.A.C. R14-3-113 - Unauthorized Communications) applies to this proceeding and shall remain in effect until the Commission's Decision in this matter is final and non-appealable.

IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.

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

DATED this 13th day of June, 2013.


BELINDA A. MARTIN
ADMINISTRATIVE LAW JUDGE

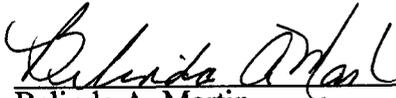
Copies of the foregoing mailed/delivered this 13th day of June, 2013, to:

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By: 
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