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BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

COMMISSIONERS

- BOB STUMP, Chairman
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2013 JUL -2 A 11: 58

AZ CORP COMMISSION DOCKET CONTROL

Arizona Corporation Commission DOCKETED

JUL - 2 2013

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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

PROCEDURAL ORDER

BY THE COMMISSION:

On October 2, 2012, EPCOR Water Arizona, Inc. ("EPCOR") and Chaparral City Water Company ("CCWC") (collectively, "Applicants") jointly filed with the Arizona Corporation Commission ("Commission") the above-captioned application seeking the issuance of an accounting order to allow deferral of post-in-service AFUDC and depreciation amortization expense.

On October 26, 2012, the Residential Utility Consumer Office ("RUCO") filed a Motion to Intervene, which was granted by Procedural Order issued November 7, 2012.

On January 18, 2013, Applicants filed a Request for Procedural Conference.

On January 25, 2013, a Procedural Order was issued scheduling a procedural conference for February 5, 2013.

On February 5, 2013, the procedural conference was convened, as scheduled. The parties were directed to discuss scheduling and to submit, either jointly or separately, a proposed procedural schedule.

On February 20, 2013, the Applicants filed a Proposed Procedural Schedule that included dates for filing testimony and other matters, and a hearing the week of May 13, 2013. The Applicants also attached a proposed customer notice.

On February 20, 2013, RUCO filed a Response to the Company's Proposed Procedural Schedule. RUCO opposed the Applicants' proposed schedule which RUCO claims would expedite

1 the processing of this matter ahead of other cases pending before the Commission that have time  
2 clock requirements. RUCO argued that because CCWC was planning to file a rate case in April  
3 2013, and because the Commission is considering the issue of a distribution system infrastructure  
4 surcharge ("DSIC") in another case in which EPCOR has intervened (Docket No. W-01445A-11-  
5 0310), the Commission should suspend this matter pending resolution of those cases. Alternatively,  
6 RUCO suggested a different schedule that would result in a hearing on August 28, 2013.

7 On February 21, 2013, the Commission's Utilities Division ("Staff") filed a response to the  
8 Applicants' and RUCO's proposed schedules. Staff stated support for RUCO's suggestion to  
9 suspend this matter given EPCOR's intervention in the DSIC case. Staff argued that if this matter is  
10 scheduled for hearing, the Applicants' schedule is unacceptable but Staff would support RUCO's  
11 proposed procedural schedule.

12 On February 25, 2013, the Applicants filed a Reply to Staff and RUCO Comments Regarding  
13 Procedural Schedule. The Applicants opposed suspension of the docket claiming that the application  
14 in this case includes a request for an accounting order for EPCOR's five wastewater districts, which  
15 the DSIC proceeding would not address. The Applicants also stated that the upcoming CCWC rate  
16 filing would not include any of EPCOR's 13 districts. The Applicants contend that the deferral  
17 request in this docket is not duplicative of the DSIC proceeding because the relief sought in this case  
18 would apply to a 24-month period prior to the Commission possibly approving a DSIC mechanism  
19 for the Applicants. The Applicants therefore requested that their proposed procedural schedule be  
20 adopted.

21 On March 19, 2013, a Procedural Order was issued scheduling this matter for hearing on  
22 August 28, 2013, setting forth testimony filing deadlines, and directing the Applicants to provide  
23 notice of the application and hearing.

24 On March 28, 2013, the Applicants filed a Request to Vacate Procedural Schedule. The  
25 Applicants indicated that they could not meet the notice deadlines set forth in the March 9, 2013,  
26 Procedural Order and therefore requested that the procedural schedule should be vacated. The  
27 Applicants stated that they would provide an update to the application in June 2013 to address the  
28 appropriate timing of processing the application.

1 On April 16, 2013, a Procedural Order was issued vacating the hearing date, filing deadlines,  
2 and notice requirements set forth in the March 19, 2013 Procedural Order, and requiring the  
3 Applicants to file, by July 1, 2013, an update regarding their proposal for processing the application..

4 On June 28, 2013, the Applicants filed a Request to Close Docket stating that they now intend  
5 to pursue the requested deferrals on a district by district basis in pending and future rate cases..

6 IT IS THEREFORE ORDERED that Docket Nos. W-01303A-12-0427, SW-01303A-12-  
7 0427, and W-02113A-12-0427, are hereby administratively closed.

8 Dated this 2<sup>nd</sup> day of July, 2013.



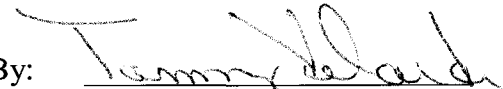
DWIGHT D. NODES  
ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

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15 Copies of the foregoing mailed/delivered  
this 2<sup>nd</sup> day of July, 2013 to:

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