

OPEN MEETING AGENDA ITEM



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BRENDA BURNS
COMMISSIONER

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ARIZONA CORPORATION
COMMISSION

Arizona Corporation Commission
DOCKETED

ORIGINAL

January 10, 2014

JAN 10 2014

Re: New River Utility Company (Rates) W-01737A-12-0478

DOCKETED BY

Dear Mr. Crockett:

In your Exceptions filed January 9, you stated that New River Utility Company "concedes that there is some confusion in the record regarding the proper characterization and accounting for approximately \$1.1 million in inter-affiliate transfer of funds."

The company has known, since Staff brought it up during the rate case's hearings, that there have been questions involving inter-affiliate transfers of funds. However, I see no evidence that the company has sought to resolve the "discrepancy" as described by the ROO.

It would be helpful to me in my consideration of this matter if the company would address the following questions:

1. What steps has the company undertaken to address the concerns addressed by the ALJ?
2. If no steps were taken, is there any reason New River Utility Company cannot resolve the discrepancy prior to new rates being approved?
3. Were personal income taxes paid on the \$1.1 million, allegedly treated as a dividend distribution?

Please file your written responses to these questions by Monday, January 13, 2014.

I look forward to reviewing the company's responses. I have not reached any conclusions regarding this matter, and your prompt response to these questions will assist me in my full consideration of this case.

Sincerely,

Brenda Burns
Commissioner

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