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BEFORE THE ARIZONA CORPORATION COMMISSIONERS

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COMMISSIONERS

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

2014 APR -1 P 3:38

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

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IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR AUTHORITY TO IMPLEMENT ARSENIC COST RECOVERY MECHANISMS FOR ITS AGUA FRIA WATER, SUN CITY WEST WATER, HAVASU WATER AND TUBAC WATER DISTRICTS.

DOCKET NO. W-01303A-05-0280

DECISION NO. 68310

NOTICE OF COMPLIANCE FILING

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS SUN CITY WEST WATER AND WASTEWATER DISTRICTS.

DOCKET NO. WS-01303A-02-0867

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS MOHAVE WATER DISTRICT AND ITS HAVASU WATER DISTRICT.

DOCKET NO. WS-01303A-02-0869

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE, ITS AGUA FRIA WATER BY ITS ANTHEM WATER DISTRICT, AND ITS ANTHEM/AGUA FRIA WASTEWATER DISTRICT.

DOCKET NO. WS-01303A-02-0870

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Arizona Corporation Commission
DOCKETED

APR -1 2014

DOCKETED BY *nr*

1 In compliance with Decision No. 68310, EPCOR Water Arizona Inc. hereby files the
2 attached 2013 Capital Structure Report.

3 RESPECTFULLY SUBMITTED on April 1, 2014.
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8 Sandra L. Murrey
9 Rate Analyst
10 EPCOR Water
11 2355 W. Pinnacle Peak Road, Suite 300
12 Phoenix, AZ 85027
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36 Original and 13 copies **filed**
37 on April 1, 2014 with:

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39 Docket Control
40 Arizona Corporation Commission
41 1200 West Washington
42 Phoenix, Arizona 85007
43

44 Copies of the foregoing **emailed**
45 on April 1, 2014 to:

46
47 Brian K. Bozzo
48 Compliance and Enforcement Manager
49 Utilities Division
50 1200 West Washington Street
51 Phoenix, AZ 85007

EPCOR Water Arizona, Inc.
 Capital Structure for 2013 (Defined as equity, long-term debt and short-term debt)
 \$ millions

Compliance for Decision No. 68310

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Equity	\$ 149.7	\$ 150.0	\$ 150.9	\$ 151.4	\$ 152.6	\$ 155.5	\$ 158.0	\$ 160.0	\$ 163.1	\$ 164.3	\$ 165.5	\$ 168.2
LT Debt	231.7	231.7	231.7	231.7	231.7	231.7	231.7	231.7	231.7	231.7	231.7	231.7
ST Debt	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6
Total Capital	\$ 390.0	\$ 390.3	\$ 391.2	\$ 391.7	\$ 392.9	\$ 395.8	\$ 398.3	\$ 400.3	\$ 403.4	\$ 404.6	\$ 405.8	\$ 408.5

1 in Staff's AIF Tariff Schedule, and as further modified at the hearing, shall be approved.

2 IT IS FURTHER ORDERED that Arizona-American Water Company shall comply with all
3 requirements discussed in this Order as a condition of approval of the Arsenic Cost Recovery
4 Mechanism.

5 IT IS FURTHER ORDERED that Arizona-American Water Company shall file a plan with
6 Docket Control by December 31, 2005 that describes how the Company expects to attain and
7 maintain a capital structure (equity, long-term debt, and short-term debt) with equity representing
8 between 40 and 60 percent of total capital.

9 IT IS FURTHER ORDERED that Arizona-American Water Company shall file, by April 1st
10 of each year subsequent to any year in which it collects surcharges under an ACRM, a report with
11 the Utilities Division Director showing the Company's ending capital structure by month for the
12 prior year.

13 IT IS FURTHER ORDERED that Arizona-American Water Company shall modify the rate
14 base calculation for the Havasu Water District to explicitly show a deduction for Arsenic Impact Fee
15 collections.

16 IT IS FURTHER ORDERED that, as part of the Earnings Test schedule filed in support of the
17 ACRM, Arizona-American Water Company shall incorporate adjustments conforming to Decision
18 No. 67093.

19 IT IS FURTHER ORDERED that Arizona-American Water Company shall file the schedules
20 discussed in its application, as modified by Staff's recommendations herein. Microsoft Excel or
21 compatible electronic versions of the filings and all work papers should be filed concurrently with all
22 ACRM filings.

23 IT IS FURTHER ORDERED that Arizona-American Water Company shall file permanent
24 rate applications for its Sun City West, Agua Fria, and Havasu districts by no later than April 30,
25 2008, based on a 2007 test year.

26 IT IS FURTHER ORDERED that, for the Havasu District, Arizona-American Water
27 Company shall file with Docket Control by January 31st of each year, an annual calendar year status
28 report, until the AIF Tariff is no longer in effect. The status report shall contain a list of all