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**BEFORE THE ARIZONA CORPORATION C**

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COMMISSIONERS

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

2014 MAY -8 A 11: 11  
 AZ CORP COMMISSION  
 DOCKET CONTROL

**ORIGINAL**

IN THE MATTER OF THE APPLICATION OF EPCOR WATER ARIZONA, 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 FOR UTILITY SERVICE BY ITS MOHAVE WATER DISTRICT, PARADISE VALLEY WATER DISTRICT, SUN CITY WATER DISTRICT, TUBAC WATER DISTRICT, AND MOHAVE WASTEWATER DISTRICT.

DOCKET NO. WS-01303A-14-0010

Arizona Corporation Commission

DOCKETED

MAY 08 2014

DOCKETED BY 

**PROCEDURAL ORDER**

**BY THE COMMISSION:**

On March 10, 2014, EPCOR Water Arizona, Inc. (“EPCOR” or “Company”) filed with the Arizona Corporation Commission (“Commission”) an application for a determination of the fair value of its utility plant and property and for increases in its water and wastewater rates and charges for utility service by its Mohave Water District, Paradise Valley Water District, Sun City Water District, Tubac Water District, and Mohave Wastewater District.

On April 4, 2014, the Commission’s Utilities Division (“Staff”) issued a Letter of Sufficiency pursuant to Arizona Administrative Code (“A.A.C.”) R14-2-103, and classified the Company as a Class A utility.

On April 28, 2014, a Procedural Order was issued scheduling a hearing for December 2, 2014, establishing various procedural and filing deadlines, and directing the Company to mail and publish notice by May 30, 2014.

On May 7, 2014, EPCOR filed a Request for Corrections to Public Notice of Hearing. In its filing the Company identified several typographical errors in the notice contained in the April 28, 2014 Procedural Order, and proposed revisions in accordance with the attachment to its filing.

EPCOR’s proposed corrections are incorporated in the revised notice set forth below.

1 IT IS THEREFORE ORDERED that the Company shall provide public notice of the hearing  
2 in this matter, in the following form and style with the heading in no less than 18-point bold type and  
3 the body in no less than 10-point regular type:

4 **PUBLIC NOTICE OF HEARING ON THE RATE APPLICATION OF**  
5 **EPCOR WATER ARIZONA, INC., FOR ITS MOHAVE WATER DISTRICT,**  
6 **PARADISE VALLEY WATER DISTRICT, SUN CITY WATER DISTRICT, TUBAC**  
7 **WATER DISTRICT, AND MOHAVE WASTEWATER DISTRICT.**  
8 **DOCKET NO. WS-01303A-14-0010**

9 **Summary**

10 On March 10, 2014, EPCOR Water Arizona, Inc. ("EPCOR" or "Company") filed  
11 with the Arizona Corporation Commission ("Commission") an application for a  
12 determination of the fair value of its utility plant and property and for increases in its  
13 water and wastewater rates and charges for utility service by its Mohave Water  
14 District, Paradise Valley Water District, Sun City Water District, Tubac Water  
15 District, and Mohave Wastewater District.

16 **[COMPANY INCLUDE APPLICABLE PARAGRAPH(S) FROM THE**  
17 **FOLLOWING PARAGRAPHS.]**

18 For its **Mohave Water District**, EPCOR's application requests an annual revenue  
19 increase of approximately \$2,022,451, or 32.36 percent, over current revenues. For  
20 average consumption (6,800 gallons per month) 5/8 x 3/4-inch meter residential  
21 customers of the Mohave Water District, EPCOR's request would increase monthly  
22 rates by 43.92 percent, or \$9.06. EPCOR is also requesting approval of a System  
23 Improvement Benefits ("SIB") surcharge. **If you would like to calculate the bill**  
24 **impact of the Company's proposal based on your consumption, please view its**  
25 **website at epcor.com or contact Customer Service at 1.800.383.0834.**

26 For its **Paradise Valley Water District**, EPCOR's application requests an annual  
27 revenue increase of approximately \$950,774, or 9.9 percent, over current revenues.  
28 For average consumption (19,271 gallons per month) 5/8 x 3/4-inch meter residential  
customers of the Paradise Valley Water District, EPCOR's request would increase  
monthly rates by 9.68 percent, or by \$5.06. **If you would like to calculate the bill**  
**impact of the Company's proposal based on your consumption, please view its**  
**website at epcor.com or contact Customer Service at 1.800.383.0834.**

For its **Sun City Water District**, EPCOR's application requests an annual revenue  
increase of approximately \$1,646,454, or 16.0 percent, over current revenues. For  
average usage (7,203 gallons per month) 5/8 x 3/4-inch meter residential customers of  
the Sun City Water District, EPCOR's request would increase monthly rates by 22.0  
percent, or by \$3.82. EPCOR is also requesting approval of a System Improvement  
Benefits ("SIB") surcharge. **If you would like to calculate the bill impact of the**  
**Company's proposal based on your consumption, please view its website at**  
**epcor.com or contact Customer Service at 1.800.383.0834.**

For its **Tubac Water District**, EPCOR's application requests an annual revenue  
increase of approximately \$410,000, or 70.8 percent, over current revenues. For  
average usage (8,348 gallons per month) 5/8 x 3/4-inch meter residential customers of  
the Tubac Water District, EPCOR's request would increase monthly rates by 89.95

1 percent, or by \$48.19. If you would like to calculate the bill impact of the  
2 **Company's proposal based on your consumption, please view its website at**  
3 **epcor.com or contact Customer Service at 1.800.383.0834.**

4 For its Mohave Wastewater District, EPCOR's application requests an annual  
5 revenue increase of approximately \$467,807, or 44.3 percent, over current revenues.  
6 For residential customers of the Mohave Wastewater District, EPCOR's request would  
7 increase monthly rates by 46.4 percent, or by \$26.24.

8 **THE COMMISSION'S UTILITIES DIVISION ("STAFF") HAS NOT YET**  
9 **MADE A RECOMMENDATION REGARDING THE APPLICATION. STAFF'S EVALUATION OF THE APPLICATION MAY RESULT IN A**  
10 **RECOMMENDATION THAT THE COMMISSION APPROVE OR DENY THE COMPANY'S PROPOSALS, OR THAT THE COMPANY'S CURRENT**  
11 **OVERALL RATES BE EITHER DECREASED OR INCREASED. THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF THE COMPANY,**  
12 **STAFF, OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RATEMAKING TREATMENT OF THE REVENUES**  
13 **AND EXPENSES RELATED TO EPCOR'S APPLICATION BASED ON THE EVIDENCE PRESENTED IN THIS PROCEEDING.**

14 If you have any questions concerning how the Application may affect your bill or  
15 other substantive questions about the Application, you may contact the Company at:  
16 **[COMPANY SHOULD INSERT NAME, ADDRESS, TELEPHONE NUMBER, AND E-MAIL ADDRESS FOR CUSTOMER CONTACTS CONCERNING THE**  
17 **APPLICATION].**

#### 18 **How You Can View or Obtain a Copy of the Application**

19 Copies of the Application are available at the Company's offices **[INSERT**  
20 **ADDRESS]** and at the Commission's Docket Control Center at 1200 West Washington  
21 Street, Phoenix, Arizona, and 400 West Congress Street, Suite 218,  
22 Tucson, Arizona, and on the internet via the Commission website ([www.azcc.gov/](http://www.azcc.gov/))  
23 using the e-Docket function.

#### 24 **Arizona Corporation Commission Public Hearing Information**

25 The Commission will hold a hearing on this matter beginning **December 2, 2014, at**  
26 **10:00 a.m.**, at the Commission's offices, Hearing Room #1, 1200 West Washington  
27 Street, Phoenix, Arizona. Public comments will be taken on the first day of the  
28 hearing. Written public comments may be submitted by mailing a letter referencing  
Docket No. WS-01303A-14-0010 to Arizona Corporation Commission, Consumer  
Services Section, 1200 West Washington Street, Phoenix, AZ 85007, or by e-mail.  
For a form to use and instructions on how to e-mail comments to the Commission, go  
to <http://www.azcc.gov/Divisions/Utilities/forms/PublicCommentForm.pdf>. If you  
require assistance, you may contact the Consumer Services Section at 1.800.222.7000.

**If you do not intervene in this proceeding, you will receive no further notice of**  
**the proceedings in this docket. However, all documents filed in this docket are**  
**available online** (usually within 24 hours after docketing) at the Commission's  
website [www.azcc.gov](http://www.azcc.gov) using the e-Docket function, located at the bottom of the  
website homepage. RSS feeds are also available through e-Docket.

#### 27 **About Intervention**

28 The law provides for an open public hearing at which, under appropriate  
circumstances, interested parties may intervene. Any person or entity entitled by law

1 to intervene and having a direct and substantial interest in the matter will be permitted  
2 to intervene.

3 If you wish to intervene, you must file an original and 13 copies of a written motion to  
4 intervene with the Commission no later than **July 1, 2014**, and send a copy of the  
5 motion to EPCOR or its counsel and to all parties of record. Your motion to intervene  
6 must contain the following:

- 7 1. Your name, address, and telephone number, and the name, address, and  
8 telephone number of any party upon whom service of documents is to  
9 be made, if not yourself;
- 10 2. A short statement of your interest in the proceeding (e.g., a customer of  
11 EPCOR, a shareholder of EPCOR, etc.); and
- 12 3. A statement certifying that you have mailed a copy of the motion to  
13 intervene to EPCOR or its counsel and to all parties of record in the  
14 case.

15 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except  
16 that all motions to intervene must be filed on or before July 1, 2014. All parties must  
17 comply with Rules 31 and 38 of the Rules of the Arizona Supreme Court and A.R.S. §  
18 40-243 with respect to the practice of law. For information about requesting  
19 intervention, go to <http://www.azcc.gov/divisions/utilities/FORMS/interven.pdf>. The  
20 granting of intervention entitles a party to present sworn evidence at hearing and to  
21 cross-examine other witnesses. However, failure to intervene will not preclude any  
22 interested person or entity from appearing at the hearing and providing public  
23 comment on the application or from filing written comments in the record of the case.

24 **ADA/Equal Access Information**

25 The Commission does not discriminate on the basis of disability in admission to its  
26 public meetings. Persons with a disability may request a reasonable accommodation  
27 such as a sign language interpreter, as well as request this document in an alternative  
28 format, by contacting the ADA Coordinator, Shaylin Bernal, e-mail  
[sabernal@azcc.gov](mailto:sabernal@azcc.gov), voice phone number 602.542.3931. Requests should be made as  
early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that in all other respects, the April 28, 2014 Procedural Order  
shall remain in full force and effect.

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 the practice of law and admission  
*pro hac vice*.

IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance  
with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the  
Rules of the Arizona Supreme Court). Representation before the Commission includes appearances  
at all hearings and procedural conferences, as well as all Open Meetings for which the matter is

1 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the  
2 Administrative Law Judge or the Commission.

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

6 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended  
7 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

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

11 DATED this 8<sup>th</sup> day of May, 2014.

12  
13   
14 DWIGHT D. NODES  
15 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

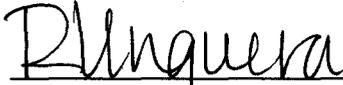
16 Copies of the foregoing mailed  
17 this 8<sup>th</sup> day of May, 2014, to:

18 Jay Shapiro  
19 FENNEMORE CRAIG, P.C.  
20 2394 E. Camelback Road, Suite 600  
21 Phoenix, AZ 85016  
22 Attorneys for EPCOR Water Arizona, Inc.

Janice Alward, Chief Counsel  
Legal Division  
ARIZONA CORPORATION COMMISSION  
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Phoenix, Arizona 85007

Daniel W. Pozefsky  
RUCO  
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Phoenix, AZ 85007

Steven M. Olea, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 W. Washington Street  
Phoenix, Arizona 85007

23  
24 By:   
25 Rebecca Unquera  
26 Assistant to Dwight D. Nodes  
27  
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