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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

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

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2014 AUG - 7 A 11: 24

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE OF
ITS UTILITY PLANT AND PROPERTY AND
FOR ADJUSTMENTS TO ITS RATES AND
CHARGES FOR UTILITY SERVICE
FURNISHED BY ITS EASTERN GROUP AND
FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01445A-11-0310

ORIGINAL

PROCEDURAL ORDER

BY THE COMMISSION:

On July 30, 2014, the Arizona Corporation Commission ("Commission") issued Decision No. 74590 in this matter, authorizing Arizona Water Company ("AWC") to implement a System Benefits Surcharge for its Cochise system.

On August 4, 2014, the Commission's Utilities Division ("Staff") filed a Notice of Errata RE: Decision No. 74590. Staff indicated that the Decision included a case caption that was not consistent with the caption assigned to this case, and requested that a corrected cover page that contains the proper caption be substituted for the one originally docketed on July 30, 2014.

IT IS THEREFORE ORDERED that a corrected cover page for Decision No. 74590, attached hereto, should be substituted for the cover page originally docketed for that Decision.

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Arizona Corporation Commission

DOCKETED

AUG 07 2014

DOCKETED BY

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

4 DATED this 7th day of August, 2014.

5
6 

7 DWIGHT D. NODES
8 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered
10 this 7th day of August, 2014, to:

11 Steven A. Hirsch
12 Stanley B. Lutz
13 BRYAN CAVE, LLP
14 Two North Central Avenue, Suite 2200
15 Phoenix, AZ 85004-4406
16 Attorneys for Arizona Water Company

17 Joel M. Reiker
18 ARIZONA WATER COMPANY
19 3805 N. Black Canyon Highway
20 Phoenix, AZ 85015

21 Daniel W. Pozefsky
22 RESIDENTIAL UTILITY CONSUMER OFFICE
23 1110 West Washington Street, Suite 220
24 Phoenix, AZ 85007

25 Jay L. Shapiro
26 FENNEMORE CRAIG, PC
27 2394 E. Camelback Rd., Suite 600
28 Phoenix, AZ 85016
Attorneys for Liberty Utilities

Christopher D. Krygier
Liberty Utilities
12725 W. Indian Scholl Rd., Suite D101
Avondale, AZ 85392

Sheryl Hubbard
EPCOR Water Arizona, Inc.
2355 W. Pinnacle Peak Rd., Suite 300
Phoenix, AZ 85027

Michael Hallam
Lewis Roca Rothgerber, LLP
40 N. Central Ave.
Phoenix, AZ 85004
Attorneys for EPCOR Water Company

Michael M. Grant
GALLAGHER & KENNEDY, PA
2575 E. Camelback Rd.
Phoenix, AZ 85016-9225
Attorneys for Arizona Investment Council

Gary Yaquinto
ARIZONA INVESTMENT COUNCIL
2100 N. Central Ave., Suite 210
Phoenix, AZ 85004

Michael W. Patten
Timothy J. Sabo
ROSHKA DEWULF & PATTEN, PLC
One Arizona Center
400 E. Van Buren St., Suite 800
Phoenix, AZ 85004
Attorneys for Global Water

Ron Fleming
Global Water
21410 N. 19th Ave., Suite 201
Phoenix, AZ 85027

Garry D. Hays
LAW OFFICES OF GARRY D. HAYS, P.C.
1702 E. Highland Ave., Suite 204
Phoenix, AZ 85016

Kathie Wyatt
1940 North Monterey Drive
Apache Junction, AZ 85120

Greg Patterson
WATER UTILITY ASSOCIATION
OF ARIZONA
916 W. Adams, Suite 3
Phoenix, AZ 85007

1 Janice Alward, Chief Counsel
Legal Division
2 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
3 Phoenix, AZ 85007

4 Steven M. Olea, Director
Utilities Division
5 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
6 Phoenix, AZ 85007

7 By: Rebecca Unquera
8 Rebecca Unquera
Assistant to Dwight D. Nodes
9

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BEFORE THE ARIZONA CORPORATION COMMISSION

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

IN THE MATTER OF THE APPLICATION)
 OF ARIZONA WATER COMPANY FOR A)
 DETERMINATION OF THE FAIR VALUE)
 OF ITS UTILITY PLANT AND PROPERTY,)
 AND FOR ADJUSTMENTS TO ITS RATES)
 AND CHARGES FOR UTILITY SERVICE)
 FURNISHED BY ITS EASTERN GROUP)
 AND FOR CERTAIN RELATED)
 APPROVALS)

DOCKET NO. W-01445A-11-0310
 DECISION NO. 74590
ORDER

Open Meeting
 July 22 and 23, 2014
 Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

Background

1. On June 27, 2013, the Arizona Corporation Commission ("Commission") issued Decision No. 73938 approving, with certain modifications described therein, a Settlement Agreement between Arizona Water Company ("AWC" or "Company"), the Commission's Utilities Division Staff ("Staff") and various other intervenors setting forth the details of a system improvement benefits ("SIB") mechanism, which is similar to the distribution system improvement charge ("DSIC") mechanism sought by AWC.
2. On April 22, 2014, the Commission issued Decision No. 74463 affirming Decision Nos. 73736 and 73938 on rehearing.
3. The SIB mechanism is a ratemaking device designed to provide for the timely recovery of the capital costs (depreciation expense and pre-tax return on investment) associated with certain