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BEFORE THE ARIZONA CORPORATION COM

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COMMISSIONERS

BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
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SUSAN BITTER SMITH

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AZ CORP COMMISSION  
DOCKET CONTROL

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

NOTICE OF FILING  
Town of Paradise Valley  
Resolution No. 1328

Town of Paradise Valley hereby provides notice of filing of Resolution No. 1328 on  
March 3, 2015.

Respectfully submitted this 3rd<sup>th</sup> day of March, 2015.

Andrew M. Miller, Town Attorney  
Town of Paradise Valley

ORIGINAL and thirteen (13) copies  
of the foregoing were filed this  
3rd day of March, 2014

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Arizona Corporation Commission  
DOCKETED

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DOCKETED BY EAU

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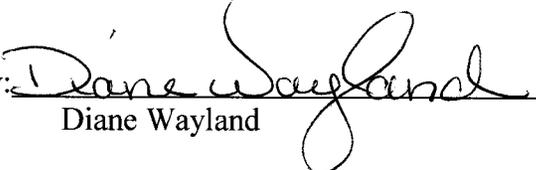
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By:   
Diane Wayland

**RESOLUTION NUMBER 1328**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA, AMENDING RESOLUTION 1309 TO PROVIDE DIRECTION TO THE TOWN ATTORNEY REGARDING THE TOWN'S POSITION ON MATTERS RELATED TO THE TOWN'S INTERVENTION AS AN INTERESTED PARTY IN THE MATTER OF THE APPLICATION OF EPCOR WATER ARIZONA, INC., FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES FOR ITS PARADISE VALLEY WATER DISTRICT, ACC DOCKET NO. WS-01303A-0010**

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA THAT:

WHEREAS, on January 10, 2014, EPCOR Water Arizona (EPCOR) filed a case with the Arizona Corporation Commission ("ACC") requesting a rate increase for its Mohave Water District, Sun City Water District, Tubac Water District, Mohave Wastewater District and Sun City Wastewater District, that case being designated as Arizona; Corporation Commission Docket No. WS-01303A-14-0010 (the "Rate Case"); and

WHEREAS, on March 19, 2014, EPCOR filed a Notice of Errata to include Paradise Valley Water District ("PV District") in the Rate Case; and

WHEREAS, the Town of Paradise Valley ("Town") is a customer and ratepayer within EPCOR's PV District and has previously directed the Town Attorney, by the adoption of Resolution No. 1309, to intervene in the Rate Case and monitor the filings, proceedings, and hearings in the Rate Case to determine the impacts of the proposed rates on the Town and its residents; and

WHEREAS, Resolution No. 1309 directed the Town Attorney to not oppose EPCOR's requested rate increase in the Rate Case for the Paradise Valley District, so long as that rate increase did not exceed approximately 9.85%, that amount being based on a presentation made by EPCOR representatives to the Town Council of Paradise Valley prior to the inclusion of the PV District in the Rate Case; and

WHEREAS, subsequent testimony submitted by other interested parties in the Rate Case, including EPCOR, the Residential Utility Consumer's Office ("RUCO"), and the Arizona Corporation Commission staff suggest that the rate increase of approximately 9.85% is not necessary or proper; and

WHEREAS, the Town has determined that the testimony on rates submitted by other parties is so diverse and disparate that the Town should not submit testimony or otherwise take a position on the rate increase request as other parties, particularly the ACC staff and RUCO, are better suited to submit such testimony and provide a rigorous analysis of EPCOR's proposals for rate changes and adjustment mechanisms in the PV District; and

WHEREAS, EPCOR has also requested a System Improvement Benefit adjuster mechanism (SIB), which, if approved, could lead to an additional rate increase of approximately 8% to 10% as it is phased in over several years; and

WHEREAS, in testimony filed by some of the intervening parties, it is contended that the potential rate impacts of the SIB, if implemented, have not been properly noticed and disclosed to the ratepayers in EPCOR's PV District; and

WHEREAS, the Town has determined that the testimony on the benefits and detriments of the SIB, if implemented, are hard to determine, and that the testimony submitted by other parties is so diverse and disparate, that the Town should not submit testimony or otherwise take a position on the implementation of the SIB and its potential impact on future PV District

water utility rates, however, the Town does agree with those parties that contend that the SIB and its impacts were not properly noticed in monthly water billing inserts sent to the PV District ratepayers, including the monthly water billings sent to the Town itself, or otherwise disclosed to the ratepayers in EPCOR's PV District, thus the Town will oppose the implementation of the SIB if EPCOR does not take immediate measures to notice advertise, or otherwise disclose the SIB request and the potential impact of the SIB, if approved, on future water utility rates in the PV District.

NOW, THEREFORE, BE IT RESOLVED, that the Town Attorney is authorized to file a copy of this Resolution with the ACC as part of the record in the PV Rate Case;

FURTHER RESOLVED, that the Town Attorney is directed to take no position on the requested rate increases by EPCOR in the Rate Case and no position on the adoption and implementation of the SIB, provided that EPCOR first notices and discloses to the PV District ratepayers the amount of the requested SIB in the PV District and its potential impact on the future water utility rates in the PV District, said disclosure to be in any of the forms noted in the recitals above.

FURTHER RESOLVED, that the Town Attorney is directed to report back to the Town Council on the progress and filings made by EPCOR in the PV Rate Case in general, and on its efforts to provide notice and disclosure of the SIB request specifically.

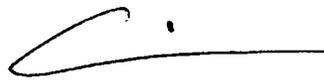
PASSED AND ADOPTED by the Town Council this 26<sup>th</sup> day of February, 2015.



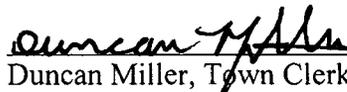
Michael Collins, Mayor

APPROVED AS TO FORM

ATTEST:



Andrew Miller, Town Attorney



Duncan Miller, Town Clerk

STATE OF ARIZONA            )  
                                          :SS.  
COUNTY OF MARICOPA        )

**CERTIFICATION**

I, Duncan Miller, Town Clerk of the Town of Paradise Valley, Arizona hereby certify that the following is a full, true, and correct copy of Resolution Number 1328 duly passed and adopted by a majority vote of the Town Council called and held on the 26<sup>th</sup> day of February, 2015. Said Resolution appears in the minutes of said meeting, and the same has not been rescinded or modified and is now in full force and effect.

I further certify that said municipal corporation is duly organized and existing, and has the power to take the action called for by the Resolution.



*Duncan Miller*  
Duncan Miller, Town Clerk