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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH, Chairperson
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

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

**NOTICE OF FILING TESTIMONY
SUMMARY**

Arizona Corporation Commission

DOCKETED

MAR 10 2015

DOCKETED BY

Below is the testimony summary of witness John S. Thornton, Jr., filed on behalf of Sanctuary Camelback Mountain Resort & Spa, JW Marriott Camelback Inn and Omni Scottsdale Resort & Spa at Montelucia (the "Resorts").

Mr. Thornton recommends the Arizona Corporation Commission (the "Commission") reject the System Improvement Benefits charge ("SIB") for the Paradise Valley Water District ("PVWD"). The proposed SIB is expected to increase total PVWD revenues by an additional 9.75% over the requested 8.7% increase to base rates.

Mr. Thornton will testify that the SIB is an abnormal rate-making mechanism that should only be implemented in extraordinary circumstances which are not present in this case. For example, the Commission previously found a SIB appropriate for the financially struggling Arizona Water Company and its extraordinary financial circumstances. Mr. Thornton will testify that a SIB should not be employed when a utility

1 is able to fund its normal day-to-day infrastructure needs through normal means. EPCOR
2 is a financially healthy enterprise whose circumstances do not merit a SIB mechanism.

3 DATED this 10th day of March, 2015.

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5 MUNGER CHADWICK, P.L.C.

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8 Robert J. Metli, Attorneys for Sanctuary
9 Camelback Mountain Resort & Spa, JW
10 Marriott Camelback Inn, and Omni
11 Scottsdale Resort & Spa at Montelucia

10 Original and 13 copies filed this
11 10th day of March, 2015, with:

12 Docket Control
13 Arizona Corporation Commission
14 1200 West Washington Street
15 Phoenix, Arizona 85007

16 Copy of the foregoing mailed/e-mailed/
17 hand-delivered this 10th day of March,
18 2015, to:

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20 Assistant Chief Administrative Law Judge
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22 Arizona Corporation Commission
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