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BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

- SUSAN BITTER SMITH- CHAIRMAN
- BOB STUMP
- BOB BURNS
- DOUG LITTLE
- TOM FORESE

2015 SEP 17 P 12: 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 NORTHERN GROUP AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01445A-12-0348

**NOTICE OF FILING PROPOSED ORDER STAYING SIB MECHANISM**

In Decision No. 74081 (September 23, 2013), the Arizona Corporation Commission ("Commission") approved a system improvement benefits mechanism ("SIB") for Arizona Water Company for its Northern Group similar to the one adopted for the Company's Eastern Group in Decision No. 73928 (June 27, 2013). On August 18, 2015, the Court of Appeals issued an opinion in Case No. 1 CA-CC 13-0002, which set aside the Commission's approval of the SIB mechanism approved in Decision No. 73928.

In light of the Court's ruling, it is appropriate to stay the implementation of the SIB mechanism, along with all compliance matters related to the SIB mechanism as set forth in the Plan of Administration, pending the outcome of further court proceedings.

It is anticipated that the proposed order will be scheduled to be considered by the Commission during the regularly scheduled Open Meeting on October 20 and 21, 2015. However, interested parties should check the Commission's website for posting of this item on a Commission agenda.

Arizona Corporation Commission

**DOCKETED**

SEP 17 2015

DOCKETED BY	TV
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1 It is noted that the attached proposed order is not an order of the Commission. Exceptions to  
2 the proposed order may be filed in the docket by September 28, 2015.

3 RESPECTFULLY SUBMITTED this 17<sup>th</sup> of September, 2015.

4 

5 \_\_\_\_\_  
6 Wesley C. Van Cleve  
7 Charles H. Hains  
8 Matthew Laudone  
9 Attorneys, Legal Division  
10 Arizona Corporation Commission  
11 1200 West Washington Street  
12 Phoenix, Arizona 85007  
13 (602) 542-3402

10 Original and thirteen (13) copies of the  
11 foregoing filed this 17<sup>th</sup> day of September,  
12 2015, with:

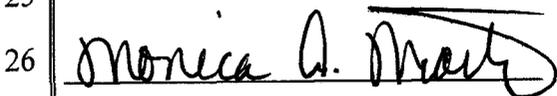
12 Docket Control  
13 Arizona Corporation Commission  
14 1200 West Washington Street  
15 Phoenix, Arizona 85007

15 Copy of the foregoing mailed this 17<sup>th</sup>  
16 day September, 2015, to:

17 E. Robert Spear, General Counsel  
18 ARIZONA WATER COMPANY  
19 P.O. Box 29006  
20 Phoenix, Arizona 85038-9006

19 Steven A. Hirsch  
20 BRYAN CAVE, LLP  
21 Two North Central Avenue, Suite 2200  
22 Phoenix, Arizona 85004-4406

22 Daniel W. Pozefsky  
23 Chief Counsel  
24 RESIDENTIAL UTILITY CONSUMER OFFICE  
25 1110 West Washington Street, Suite 220  
26 Phoenix, Arizona 85007

26 

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH - CHAIRMAN  
BOB STUMP  
BOB BURNS  
DOUG LITTLE  
TOM FORESE

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 NORTHERN GROUP  
AND FOR CERTAIN RELATED  
APPROVALS.

DOCKET NO. W-01445A-12-0348

DECISION NO. \_\_\_\_\_

Open Meeting  
October 20, 2015  
Phoenix, Arizona

**BY THE COMMISSION:**

FINDINGS OF FACT

1. On September 23, 2013, the Arizona Corporation Commission ("Commission") issued Decision No. 74081. Among other things, Decision No. 74081 approved Arizona Water Company ("Company") to implement a system improvement benefits mechanism ("SIB") identical to one approved for the Company in Decision No. 73928 (June 27, 2013). On August 18, 2015, the Arizona Court of Appeals issued an opinion in Case No. 1 CA-CC 13-0002 which set aside the Commission's approval of the SIB mechanism approved in Decision No. 73928.

2. In light of the Court's ruling, and in balancing the interests that are implicated in this matter, the Commission finds it is reasonable and in the public interest to stay operation of the SIB mechanism approved for the Company by Decision No. 74081 pending the outcome of further court proceedings.

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**CONCLUSIONS OF LAW**

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1. Arizona Water Company is a public service corporation within the meaning of Article XV of the Arizona Constitution.

2. The Commission has jurisdiction over Arizona Water Company, and the subject matter of this filing.

3. It is in the public interest to stay the operation of the System Improvement Benefits Mechanism approved by Decision No. 74081 pending the outcome of further court proceedings and until further order of the Commission.

**ORDER**

IT IS THEREFORE ORDERED that the System Improvement Benefit Mechanism approved by Decision No. 74081, is hereby stayed until further order of the Commission.

IT IS FURTHER ORDERED that all compliance requirements specifically associated with operation of the System Improvement Benefits Mechanism are stayed until further order of the Commission.

IT IS FURTHER ORDERED that all other aspects of Decision No. 74081 shall remain in effect.

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IT IS FURTHER ORDERED that this Decision shall become effective immediately.

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

CHAIRMAN	COMMISSIONER	
COMMISSIONER	COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
JODI JERICH  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

\CHH

1 SERVICE LIST FOR: Arizona Water Company  
2 DOCKET NO. W-01445A-12-0348

3 E. Robert Spear, General Counsel  
4 ARIZONA WATER COMPANY  
5 P.O. Box 29006  
6 Phoenix, Arizona 85038-9006

7 Steven A. Hirsch  
8 BRYAN CAVE, LLP  
9 Two North Central Avenue, Suite 2200  
10 Phoenix, Arizona 85004-4406

11 Daniel W. Pozefsky  
12 Chief Counsel  
13 RESIDENTIAL UTILITY CONSUMER OFFICE  
14 1110 West Washington Street, Suite 220  
15 Phoenix, Arizona 85007

16 Mr. Thomas Broderick  
17 Director, Utilities Division  
18 Arizona Corporation Commission  
19 1200 West Washington Street  
20 Phoenix, Arizona 85007

21 Ms. Janice M. Alward  
22 Chief Counsel, Legal Division  
23 Arizona Corporation Commission  
24 1200 West Washington Street  
25 Phoenix, Arizona 85007  
26  
27  
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