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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

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AZ CORP COMMISSION
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ORIGINAL

IN THE MATTER OF THE APPLICATION OF
CHAPARRAL CITY WATER COMPANY FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASE IN ITS RATES
AND CHARGES BASED THEREON.

DOCKET NO. W-02113A-13-0118

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

In Decision No. 74568 (June 20, 2014), the Arizona Corporation Commission (“Commission”) approved a system improvement benefits mechanism (“SIB”) for Chaparral City Water Company. 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 a SIB mechanism that was materially identical to the SIB approved in Decision No. 74568.

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.

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

RESPECTFULLY SUBMITTED this 17th day of September, 2015.

Arizona Corporation Commission

DOCKETED

SEP 17 2015

DOCKETED BY

Bridget A. Humphrey
Matthew Laudone
Attorneys, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

1 Original and thirteen (13) copies of the
2 foregoing filed this 17th of September,
2015, with:

3 Docket Control
4 Arizona Corporation Commission
4 1200 West Washington Street
5 Phoenix, Arizona 85007

6 Copy of the foregoing mailed/emailed this
7 17th day of September, 2015, to:

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1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 SUSAN BITTER SMITH - CHAIRMAN
4 BOB STUMP
5 BOB BURNS
6 DOUG LITTLE
7 TOM FORESE

8 IN THE MATTER OF THE APPLICATION
9 OF CHAPARRAL CITY WATER COMPANY
10 FOR A DETERMINATION OF THE
11 CURRENT FAIR VALUE OF ITS UTLITY
12 PLANT AND PROPERTY AND FOR
13 INCREASE IN ITS RATES AND CHARGES
14 BASED THEREON.

DOCKET NO. W-02113A-13-0118

DECISION NO. _____

ORDER

11 Open Meeting
12 October 20, 2015
13 Phoenix, Arizona

14 **BY THE COMMISSION:**

15 **FINDINGS OF FACT**

16 1. On June 20, 2014, the Arizona Corporation Commission ("Commission") issued
17 Decision No. 74568. Among other things, Decision No. 74568 approved Chaparral City Water
18 Company ("Company") to implement a system improvement benefits mechanism ("SIB"). On
19 August 18, 2015, the Arizona Court of Appeals issued an opinion in Case No. 1 CA-CC 13-0002
20 which set aside the Commission's approval of a SIB mechanism that was materially identical to the
21 SIB mechanism approved in Decision No. 74568.

22 2. In light of the Court's ruling, and in balancing the interests that are implicated in this
23 matter, the Commission finds it is reasonable and in the public interest to stay operation of the SIB
24 mechanism approved for the Company by Decision No. 74568 pending the outcome of further court
25 proceedings.

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CONCLUSIONS OF LAW

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

4 2. The Commission has jurisdiction over Chaparral City Water Company, and the subject
5 matter of this filing.

6 3. It is in the public interest to stay the operation of the System Improvement Benefits
7 Mechanism approved by Decision No. 74568 pending the outcome of further court proceedings and
8 until further order of the Commission.

9 **ORDER**

10 IT IS THEREFORE ORDERED that the System Improvement Benefit Mechanism approved
11 by Decision No. 74568, is hereby stayed until further order of the Commission.

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

15 IT IS FURTHER ORDERED that all other aspects of Decision No. 74568 shall remain in
16 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:BH:mam

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2 DOCKET NO. W-02113A-13-0118

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