

OPEN MEETING ITEM



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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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SUSAN BITTER-SMITH- Chairman
BOB STUMP
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2015 SEP 17 P 12:24

AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

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

NOTICE OF FILING PROPOSED ORDER STAYING SIB MECHANISM

In Decision No. 73928 (June 27, 2013), the Arizona Corporation Commission ("Commission") approved a system improvement benefits mechanism ("SIB") for Arizona Water Company, for its Eastern Group. 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 that was 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.

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Arizona Corporation Commission

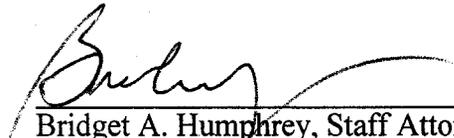
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SEP 17 2015

DOCKETED BY

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 17th day of September, 2015.

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5 
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8 Legal Division
9 Arizona Corporation Commission
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10 Original and thirteen (13) copies of the
11 foregoing were filed this 17th day of
12 September, 2015, with:

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

15 Copies of the foregoing were emailed/
16 and/or mailed this 17th day of September,
2015, to:

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Monica A. Martiny

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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 EASTERN GROUP
AND FOR CERTAIN RELATED
APPROVALS.

DOCKET NO. W-01445A-11-0310

DECISION NO. _____

ORDER

Open Meeting
October 20, 2015
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On June 27, 2013, the Arizona Corporation Commission (“Commission”) issued Decision No. 73938. Among other things, Decision No. 73938 approved Arizona Water Company (“Company”) to implement a system improvement benefits mechanism (“SIB”). Following a rehearing on Decision No. 73938, the Commission affirmed its approval of the Company’s SIB in Decision No. 74602 (August 4, 2014). 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. 73938.

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. 73938 and, to the extent it is implicated, Decision No. 74602 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. 73938 and affirmed by Decision No. 74602 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. 73938 and affirmed by Decision No. 74602, 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. 73938 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

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