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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission
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AZ CORP COMMISSION
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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 WESTERN GROUP AND FOR CERTAIN RELATED APPROVALS.	DOCKET NO. W-01445A-15-0277 **PROCEDURAL ORDER** **(Grants Intervention)**

BY THE COMMISSION:

On July 31, 2015, Arizona Water Company ("AWC") filed with the Arizona Corporation Commission ("Commission") a Notice of Intent to File General Rate Case and Request for Accounting Order ("Notice") for AWC's Western Group, comprised of the White Tank, Ajo, and Pinal Valley (Casa Grande, Coolidge, Tierra Grande, and Stanfield) service areas ("White Tank," "Ajo," and "Pinal Valley"). In the Notice, AWC also requested authority for an accounting order allowing it to record the cost of delivering Central Arizona Project ("CAP") water to its Western Group customers in 2015, net of grants and other credits, as a deferred asset on its balance sheet. AWC requested that the accounting order issue be resolved in the rate case.

On August 7, 2015, AWC filed a Notice of Filing of Central Arizona Project Water Use Plans, including the CAP Water Use Plans for Pinal Valley and White Tank.

On August 21, 2015, AWC filed an Application for an order approving adjustments to its Western Group rates and charges and requesting other approvals ("Application"). In its Application, AWC requested an increase in annual revenues for the Western Group systems of $6,010,408, or 28.33 percent, to obtain an 8.93 percent rate of return on an original cost rate base of $67,417,785. AWC's Application included a number of additional requests.[1]

[1] The additional requests are described in the Procedural Order issued in this matter on September 28, 2015.

On September 14, 2015, The Commission's Utilities Division ("Staff") filed a Letter of Sufficiency indicating that AWC's Application had met the sufficiency requirements of A.A.C. R14-2-103 and classifying AWC as a Class A Utility.

On September 15, 2015, the Residential Utility Consumer Office ("RUCO") filed an Application to Intervene.

On September 28, 2015, AWC filed a Response to RUCO's Application to Intervene.

On September 28, 2015, a Procedural Order was issued granting RUCO intervention and establishing the procedural schedule for this matter.[2]

On September 30, 2015, Abbott Laboratories ("Abbott") filed an Application to Intervene, stating that Abbott operates a nutritional product manufacturing plant in Casa Grande and is the largest water user in AWC's Pinal Valley system. Abbott further stated that the quantity, quality, and cost of water are key factors affecting its manufacturing operations.

On October 13, 2015, a Procedural Order was issued granting Abbott intervention.

On November 17, 2015, AWC filed its Certificate of Mailing and Publication of Notice.

On December 16, 2015, Western Infrastructure Sustainability Effort ("WISE") filed an Application for Leave to Intervene, stating that WISE is a corporation dedicated to working in western regulatory arenas to incentivize private investment needed to meet critical infrastructure needs in the water, wastewater, and natural gas industries. WISE stated that it and those who support its efforts will be directly affected by this case because this case will address issues such as SIB alternatives and recovery of CAP expenditures.

Because no objections to WISE's Application to Intervene have been filed, and WISE will be directly and substantially affected by the outcome of this matter, WISE's Application to Intervene should be granted.

IT IS THEREFORE ORDERED that **Western Infrastructure Sustainability Effort's Application to Intervene** is hereby **granted**.

IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules

[2] The Procedural Order established a five-day response period for motions.

31, 38, and 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled for discussion, unless counsel has previously been granted permission to withdraw by the Administrative Law Judge or the Commission.

IT IS FURTHER ORDERED that, as permitted under A.A.C. R14-3-107(B), each party to this matter may opt to receive service of all filings in this docket, including all filings by parties and all Procedural Orders and Recommended Opinions and Orders/Recommended Orders issued by the Commission's Hearing Division, via email sent to an email address provided by the party rather than via U.S. Mail. To exercise this option, a party shall:

1. Ensure that the party has a valid and active email address to which the party has regular and reliable access ("designated email address");
2. Complete a Consent to Email Service using the form available on the Commission's website (www.azcc.gov) or a substantially similar format;
3. File the original and 13 copies of the Consent to Email Service with the Commission's Docket Control, also providing service to each party to the service list;
4. Send an email, containing the party's name and the docket number for this matter, to HearingDivisionServicebyEmail@azcc.gov from the designated email address, to allow the Hearing Division to verify the validity of the designated email address;
5. Understand and agree that service of a document on the party shall be complete upon the sending of an email containing the document to the designated email address, regardless of whether the party receives or reads the email containing the document; and
6. Understand and agree that the party will no longer receive service of filings in this matter through First Class U.S. Mail or any other form of hard-copy delivery, unless and until the party withdraws this consent through a filing made in this docket.

IT IS FURTHER ORDERED that a party's consent to email service shall not become effective until a Procedural Order is issued approving the use of email service for the party. The Procedural Order shall be issued only after the party has completed steps 1 through 4 above, and the Hearing Division has verified receipt of an email from the party's designated email address.

IT IS FURTHER ORDERED that a party's election to receive service of all filings in this matter via email does not change the requirement that all filings with the Commission's Docket Control must be made in hard copy and must include an original and 13 copies.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized Communications) applies to this proceeding and shall remain in effect until the Commission's Decision in this matter is final and non-appealable.

IT IS FURTHER ORDERED that the time periods specified herein shall not be extended pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 22nd day of December, 2015.

SARAH HARPRING
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered
this 22nd day of December, 2015 to:

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