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**BEFORE THE ARIZONA CORPORATION COMMISSION**

**AZ CORP COMMISSION  
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2016 MAY 11 PM 3 36

**DOUG LITTLE, CHAIRMAN  
BOB STUMP, COMMISSIONER  
ROBERT L. BURNS, COMMISSIONER  
TOM FORESE, COMMISSIONER  
ANDY TOBIN, COMMISSIONER**

**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**

Arizona Corporation Commission

**DOCKETED**

**MAY 11 2016**

DOCKETED BY

**STATEMENT OF THE WESTERN INFRASTRUCTURE SUSTAINABILITY EFFORT  
(WISE) IN SUPPORT OF SETTLEMENT AGREEMENT**

WISE appreciates this opportunity to express and explain our support for the Settlement Agreement. First, we would like to express our appreciation for the way that ACC Staff managed the settlement process. Staff conducted the process with the utmost fairness and professionalism; all parties had an opportunity to be heard and were treated with the highest respect.

The proposed agreement resolves several important issues in ways that would be difficult to accomplish through litigation and that provide a win/win for stakeholders. For example, the Nitrate deferral provisions will allow the company to keep track of the costs associated with nitrate removal and present them for recovery in a future rate case. Without this provision, the company would be forced to spend potentially millions of dollars on critically important water treatment with no mechanism to recover those expenses. The deferral mechanism is a good compromise that allows the company to track the costs for potential future recovery.

1 The Settlement Agreement also provides solutions to thorny problems such as how to  
2 account for tank maintenance expenses, provides assurances that CAP Surcharges will continue to  
3 be properly accounted for and continues the highly effective Arsenic Cost Recovery System.  
4 Finally, the settlement provides a cost of equity that is adequate to ensure that the company will  
5 be able to attract the investment that it needs in order maintain and expand its infrastructure.

6 We believe that the Settlement Agreement is in the best interest of consumers,  
7 stakeholders and shareholders and urge the Commission to approve it. Thank you to Staff,  
8 Arizona Water Co. and the other parties for a productive and professional process and product.

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10  
11 RESPECTFULLY SUBMITTED this 11<sup>th</sup> day of May 2016

12 

13  
14 By: Greg Patterson  
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18 ORIGINAL and 13 copies of the  
19 foregoing hand-delivered for filing to  
20 Docket Control

21 ARIZONA CORPORATION COMMISSION  
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24 COPY of the foregoing Sent to Parties of Record.

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