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BEFORE THE ARIZONA CORPORATION RECEIVED

Arizona Corporation Commission

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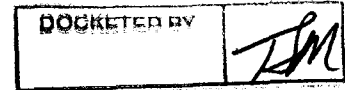
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COMMISSIONERS

- BOB STUMPS - Chairman
- GARY PIERCE
- BRENDA BURNS
- BOB BURNS
- SUSAN BITTER SMITH

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

PROCEDURAL ORDER

BY THE COMMISSION:

On August 1, 2012, Arizona Water Company ("AWC") filed with the Arizona Corporation Commission ("Commission") an application requesting adjustments to its rates and charges for utility service provided by its Northern Group water systems, including its Navajo (Lakeside and Overgaard) and Verde Valley (Sedona, Pinewood, and Rimrock) water systems. AWC's rate application uses a test year ending December 31, 2011. In addition to requesting an overall increase in revenue, AWC's application proposes extension of its arsenic cost recovery mechanism ("ACRM") authorization, approved for the Sedona and Rimrock water systems in Decision No. 66400 (October 16, 2003), to the Navajo water systems; full rate consolidation of the Sedona system's rates with those of the other Verde Valley systems; authorization to implement a Distribution System Improvement Charge ("DSIC") for its Northern Group systems; and authorization to implement Off-Site Facilities Fees of \$1,100 and up for new service connections in the Sedona water system's service area. The application also mentions continued authorization of a MAP surcharge.

On August 30, 2012, the Commission's Utilities Division ("Staff") filed a Letter of Sufficiency stating that AWC's rate application had met the sufficiency requirements outlined in

1 Arizona Administrative Code (“A.A.C.”) R14-2-103 and that AWC had been classified as a Class A
2 Utility.

3 On September 11, 2012, a Procedural Order was issued scheduling a procedural conference to
4 be held on September 18, 2012, for the purpose of discussing the scheduling for this matter.

5 On September 12, 2012, the Residential Utility Consumer Office (“RUCO”) filed an
6 Application to Intervene.

7 On September 18, 2012, the procedural conference was held as scheduled, at the
8 Commission’s offices in Phoenix, Arizona. AWC, Staff, and RUCO appeared through counsel, and
9 RUCO was granted intervention without objection. The scheduling for this matter was discussed,
10 and it was determined that the pre-hearing conference for this matter will be held on May 10, 2013,
11 and that the hearing in this matter will commence on May 13, 2013, at 10:00 a.m. and continue, as
12 necessary, starting at 9:00 a.m., on May 16-17 and May 20-24, 2013. Dates were also established for
13 the filing of testimony and of any settlement agreement.

14 The procedural schedule was memorialized in a Procedural Order issued on September 19,
15 2012.

16 On November 30, 2012, AWC filed a Certificate of Notice showing that notice of the hearing
17 had been published in the *Arizona Daily Sun*, *Verde Independent/Bugle*, *White Mountain*
18 *Independent*, and *Sedona Red Rock News* on October 12, 14, 16, and 17, 2012, respectively.
19 Additionally, the Certificate of Notice stated that a copy of the notice had been mailed to each of its
20 customers, as a bill insert, beginning with the October 12, 2012, billing cycle and ending on
21 November 13, 2012.

22 On February 14, 2013, a Procedural Order was issued scheduling May 14 and 15, 2013, as
23 additional hearing dates, due to the Commission’s rescheduling the Open Meeting previously
24 scheduled for those dates.

25 On February 21, 2013, Staff filed Staff’s Request for Modification to the Procedural
26 Schedule, requesting that Staff and Intervenors be granted an extension of time, from February 22,
27 2013, to March 1, 2013, to file Direct Testimony on issues other than rate design and that AWC
28 likewise be granted an extension of time, from April 5, 2013, to April 12, 2013, to file Rebuttal

1 Testimony. Staff stated that no other scheduling changes were requested. Staff attributed its need for
2 additional time to resource constraints and stated that Staff had conferred with AWC and RUCO,
3 both of which had no objection to the proposed change.

4 Because Staff is unable to complete and file its Direct Testimony regarding revenue
5 requirements and cost of capital by the original due date, because Staff has requested that AWC also
6 be granted an extension of time so that it will not be inconvenienced by Staff's requested extension,
7 and because both AWC and RUCO have agreed to the requested change, it is reasonable and
8 appropriate to grant Staff's request.

9 IT IS THEREFORE ORDERED that the deadline for **Staff or Intervenors** to file **direct**
10 **testimony** and associated exhibits to be presented at hearing regarding **revenue requirements and**
11 **cost of capital** is hereby extended to **March 1, 2013**.


12 IT IS FURTHER ORDERED that the deadline for **AWC** to file **rebuttal testimony** and
13 associated exhibits to be presented at hearing is hereby extended to **April 12, 2013**.

14 IT IS FURTHER ORDERED that the other provisions of the Procedural Order of September
15 19, 2012, remain in effect.

16 IT IS FURTHER ORDERED that the provisions of the Procedural Order of February 14,
17 2013, remain in effect.

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

21 DATED this 22nd day of February, 2013.

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24 
25 SARAH N. HARPRING
26 ADMINISTRATIVE LAW JUDGE
27
28

1 Copies of the foregoing mailed/delivered
this 22nd day of February, 2013, to:

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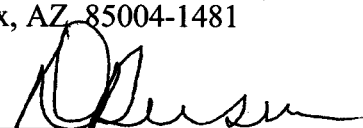
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