



**PUBLIC NOTICE OF HEARING ON THE APPLICATION OF  
ARIZONA WATER COMPANY 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)**

**Summary**

On August 21, 2015, Arizona Water Company ("AWC" or "Company") filed with the Arizona Corporation Commission ("Commission"), in the above-captioned docket, an Application requesting a permanent annual revenue increase of approximately \$6,010,408, or 28.33 percent over test year revenues, for its Western Group Systems, including White Tank, Ajo, and Pinal Valley (Casa Grande, Coolidge, Tierra Grande, and Stanfield) ("Application").

In its Application, AWC also requested the following (1) continuation of current Central Arizona Project ("CAP") Municipal and Industrial ("M&I") fees for Pinal Valley and White Tank; (2) rate base treatment of almost \$4.4 million in deferred CAP M&I capital charges, to be amortized over 20 years; (3) deferral and recovery of \$357,500 as the net cost of delivering CAP water to Pinal Valley general service customers, to be recovered over 3 years; (4) annual recovery of \$715,000 in net ongoing CAP M&I capital and delivery charges related to delivery of CAP water to Pinal Valley general service customers; (5) a new CAP surcharge to recover increases in net cost per acre foot of CAP water, increases related to the quantity of CAP water delivered, and additional deferred CAP M&I capital charges as they become used and useful; (6) continuation of the current Off-Site Facilities Fee ("OSFF") for Pinal Valley; (7) authorization of a new OSFF for White Tank; (8) authorization to implement a System Improvement Benefits ("SIB") surcharge; (9) continuation of the Arsenic Cost Recovery Mechanism ("ACRM") for the Western Group systems; and (10) authorization of a Nitrate Cost Recovery Mechanism ("NCRM") for the Western Group systems.

According to the Application, a residential customer served by a 5/8" x 3/4" meter and with average water usage in each system would experience the following increase in the customer's monthly bill if AWC's proposed rates were adopted:

System	Average Usage (gallons)	Current Bill	Proposed Bill	Increase \$	Increase %
Pinal Valley	7,800	\$29.62	\$38.22	\$8.61	29.06%
White Tank	11,700	\$52.20	\$67.46	\$15.26	29.24%
Ajo	4,000	\$40.98	\$49.39	\$8.40	20.50%

The actual percentage rate increase for individual customers would vary depending upon the system and the type and quantity of service provided.

The Commission's Utilities Division ("Staff") is in the process of reviewing and analyzing the Application, and has not yet made a recommendation regarding AWC's requests. The Commission will issue a Decision regarding AWC's Application following consideration of testimony and evidence presented by all parties at an evidentiary hearing. **THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY AWC, STAFF, OR ANY INTERVENORS, AND THE FINAL RATES APPROVED BY THE COMMISSION MAY BE HIGHER, LOWER, OR DIFFERENT THAN THE RATES PROPOSED BY AWC OR BY OTHER PARTIES.**

### **How You Can View or Obtain a Copy of the Rate Proposal**

Copies of the application and proposed rates are available from AWC, 3805 N. Black Canyon Highway, Phoenix, AZ 85015; at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours; and on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function.

### **Arizona Corporation Commission Public Hearing Information**

The Commission will hold a hearing on this matter beginning **May 9, 2016, at 10:00 a.m. in Hearing Room No. 1**, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona, 85007. Public comments will be taken on the first day of hearing.

Written public comments may be submitted by mailing a letter referencing Docket No. W-01445A-15-0277 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the "Submit a Public Comment for a Utility" function. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000.

### **About Intervention**

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person's intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties' witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the Application or from filing written comments in the record of the case.

To request intervention, you must file an **original and 13 hard copies** of a written request to intervene with Docket Control, 1200 West Washington, Phoenix, AZ 85007, **no later than December 30, 2015**. You also **must** serve a copy of the request to intervene on each party of record, on the same day that you file the request to intervene with the Commission. Information about intervention and sample intervention requests are available on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the "Intervention in Utility Cases" link.

Your request to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any person upon whom service of documents is to be made, if not yourself;
2. A reference to **Docket No. W-01445A-15-0277**;
3. A short statement explaining:
  - a. Your interest in the proceeding (e.g., a customer of the utility, etc.),
  - b. How you will be directly and substantially affected by the outcome of the case, and
  - c. Why your intervention will not unduly broaden the issues in the case;
4. A statement certifying that you have served a copy of the request to intervene on the utility or its attorney and all other parties of record in the case; and
5. If you are not represented by an attorney who is an active member of the Arizona State Bar, and you are not representing yourself as an individual, sufficient information and any appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31, 38, and 42, as applicable.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before December 30, 2015. If representation by counsel is required by Arizona Supreme Court Rule 31, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor.

### **ADA/Equal Access Information**

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail [SAbernal@azcc.gov](mailto:SAbernal@azcc.gov), voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.