

PUBLIC NOTICE OF HEARING ON ARIZONA WATER COMPANY'S APPLICATION 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-19-0278)

Summary

On December 13, 2019, Arizona Water Company ("AWC" or "Company") filed with the Arizona Corporation Commission ("Commission") an application requesting adjustments to its rates and charges for its three Western Group water service areas - Pinal Valley (Casa Grande, Coolidge, and Stanfield), White Tank, and Ajo. AWC's application proposes rates and charges that would produce an overall revenue increase of approximately \$10.1 million and requests further consolidation of the rates for the Pinal Valley, White Tank, and Ajo service areas; authority to implement surcharges under a new Nitrate Cost Recovery Mechanism ("NCRM"); continued authority to implement surcharges under the Arsenic Cost Recovery Mechanism ("ACRM"); authority to implement surcharges under the System Improvement Benefits ("SIB") mechanism; reinstatement of a Purchased Power Adjustor Mechanism ("PPAM") and a Purchased Water Adjustor Mechanism ("PWAM"); continued authority to implement surcharges under the CAP Water Surcharge; and authority to implement a Regulatory Expense Surcharge tariff and a Low Income and Active Military Discount tariff.

In addition to the rate increase, AWC requests approval of a SIB mechanism and has calculated the proposed SIB surcharge to be \$2.00 per month for each year it is in effect.

AWC's proposed rates and charges, without the \$2.00 monthly SIB surcharge, are intended to produce the following revenue increases within each service area:

Service Area	Fair Value Rate Base	Revenue Increase	Percentage Increase
Pinal Valley	\$130,134,555	\$9,742,776	43.64%
White Tank	\$7,695,851	\$343,641	8.74%
Ajo	\$3,221,334	\$16,513	3.68%

AWC's proposed rates and charges, excluding any surcharges, would result in the following monthly bills for a residential customer served by a 5/8" x 3/4" meter:

Service Area	Current Rates [including current surcharges]	Proposed Rates [not including any surcharges]	\$ Change	% Change
Pinal Valley (average monthly usage of 7,100 gallons)	\$38.27	\$48.26	\$9.99	26.12%
White Tank (average monthly usage of 9,200 gallons)	\$56.32	\$58.22	\$1.91	3.38%
Ajo (average monthly usage of 3,500 gallons)	\$42.94	\$44.72	\$1.78	4.14%

NEITHER THE COMMISSION'S UTILITIES DIVISION ("STAFF") NOR ANY INTERVENOR HAS YET MADE ANY RECOMMENDATION REGARDING AWC'S APPLICATION. THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF AWC, STAFF, OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED IN RESPONSE TO AWC'S APPLICATION BASED ON THE EVIDENCE PRESENTED IN THIS MATTER. THE FINAL RATES APPROVED BY THE COMMISSION MAY BE HIGHER, LOWER, OR DIFFERENT THAN THE RATES PROPOSED BY AWC OR BY OTHER PARTIES.

If you have any questions concerning how the Application may affect your bill or other substantive questions about the Application, you may contact AWC at: **Kelly M. Hauert by mail at 3805 N. Black Canyon Highway, Phoenix, AZ 85015; by telephone at 602-240-6860; or by email at rates@azwater.com.**

How You Can View or Obtain a Copy of the Application

Copies of the Application are available from Arizona Water Company at **3805 N. Black Canyon highway, Phoenix, AZ 85015**; at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, and the Commission's office at 400 West Congress Street, Suite 218, Tucson, Arizona, during regular business hours; and on the Commission website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **September 8, 2020, at 10:00 a.m.**, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing.

Written public comments may be submitted by mailing a letter referencing **Docket No. W-01445A-19-0278** 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) using "Cases and Open Meetings" and "Make a Public Comment in a Docket." If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this docket unless you sign up to Follow the Docket. However, all documents filed in this docket are available online (usually within 24 hours after docketing) at the Commission's website (www.azcc.gov) using the e-Docket function. **Information on how to Follow a Docket is available on the Commission's website by clicking on "Cases and Open Meetings" and "Follow a Docket."**

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. **Intervention is not required for you to appear at the hearing and provide public comment, to file written comments in the record of the case, or to receive emailed notice of each filing made in the case by following the docket.**

Information about what intervention means, including an explanation of the rights and responsibilities of an intervenor, is available on the Commission's website (www.azcc.gov) by clicking on "Cases and Open Meetings" and then clicking on "Intervene in a Case." The information includes a Sample Intervention Request and a Fillable Intervention Request Form.

To request intervention, you must file a written request to intervene, either (a) by filing a hard copy request (meeting filing requirements) with Docket Control (Docket Control, 1200 West Washington, Phoenix, AZ 85007), or (b) by eFiling the request. Your request **must be filed or eFiled no later than March 20, 2020**. Instructions and restrictions for eFiling are available on the Commission's website at <http://azcc.gov/hearing/efile-for-utilities-instruction>. 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.

Your request to intervene **must** contain the information below:

1. Your name, address, and telephone number;
2. The docket number for the case in which you are requesting to intervene;
3. A short statement explaining:
 - a. Your interest in the proceeding (e.g., a customer of the regulated company involved, a property owner in an area to be affected by the case, 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. If a hearing has not been scheduled, whether and why you believe a hearing is needed;
5. A statement certifying that you have sent a copy of your request to intervene to the regulated company or its attorney and to all other parties of record in the case; and
6. 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, 39, and 42, as applicable. This only applies if you are NOT representing yourself and you are not a licensed attorney.

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 **March 20, 2020**.

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, Kacie Cannon, E-mail KCannon@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.