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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

DOCKET NO. WS-01303A-06-0403

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
INC. FOR A DETERMINATION OF THE
CURRENT FAIR VALUE OF ITS UTILITY
PLANT AND PROPERTY AND FOR INCREASES
IN ITS RATES AND CHARGES BASED
THEREON FOR UTILITY SERVICE BY ITS
ANTHEM WATER AND ANTHEM/AGUA FRIA
WASTEWATER DISTRICTS.

PROCEDURAL ORDER

BY THE COMMISSION:

On June 16, 2006, Arizona-American Water Company ("Arizona-American" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a determination of the current fair value of its utility plant and property and for increases in its rates and charges for utility service in its Anthem Water and Anthem/Agua Fria Wastewater Districts.

Intervention was granted in this matter to the Residential Utility Consumer Office ("RUCO") and the Anthem Community Council ("Council").

The hearing in this matter commenced as scheduled, and the parties have presented evidence and testimony. The last date of hearing on the matter was July 13, 2007. On that date a witness from Pulte Homes, Inc. ("Pulte") appeared before the Commission to answer questions relating to the agreements underlying Arizona-American's rate increase request in this docket. Following the testimony of the Pulte witness, the record was left open in order to allow for the filing of late-filed exhibits and responses thereto, and to allow additional discovery.

On July 17, 2007, the Council filed a copy of its First Set of Data Requests to Non-Party Witness Pulte Homes.

Also on July 17, 2007, RUCO filed its First Set of Data Requests to Pulte Homes, Inc.

1 On July 20, 2007, the Council filed its Late-Filed Exhibit C-8 (Public Reports).

2 On July 23, 2007, Staff filed Late-Filed Exhibit S-16.

3 Also on July 23, 2007, Arizona-American filed Late-Filed Exhibit A-30.

4 On July 24, 2007, Arizona-American filed Late-Filed Exhibit A-31.

5 In addition to previously filed written public comments, several additional public comment
6 letters were filed on July 25, 2007, August 7, 2007, August 14, 2007, August 17, 2007, August 20,
7 2007, and August 29, 2007.

8 On July 30, 2007, the Council filed its Late-Filed Exhibits in Response to Staff's Late-Filed
9 Exhibit S-16.

10 On July 30, 2007, Staff Filed its First Set of Data Requests to Pulte Homes, its Sixteenth Set
11 of Data Requests to Arizona-American Water Company, and its First Set of Data Requests to
12 Citizens Utilities Company.

13 On August 17, 2007, Pulte filed the following: Pulte Home Corporation's Response to
14 Commission Questions, Pulte Home Corporation's Response to RUCO's First Set of Data Requests,
15 Pulte Home Corporation's Response to Staff's Data Requests, and Pulte Home Corporation's
16 Response to the Anthem Community Council's First Set of Data Requests to Non-Party Witness.

17 On September 17, 2007, a copy of a letter from Commissioner Mayes to counsel for Pulte was
18 docketed.

19 On October 3, 2007, Staff filed a Revised Engineering Report and Revised Revenue
20 Requirement Schedules.

21 On October 4, 2007, Staff filed its revised Typical Bill Analysis and Rate Design schedules to
22 reflect Staff's revised allocation of Arizona-American's Northwest Regional Facility.

23 On October 9, 2007, Arizona-American filed a copy of the executed Fourth Amendment to
24 Agreement for Anthem Water/Wastewater Infrastructure ("Fourth Amendment"). In a letter to the
25 Commission included in the October 9, 2007 filing, Arizona-American asserts that "[T]he Fourth
26 Amendment provides future rate relief for Arizona-American's Anthem customers and more certainty
27 to Anthem residents by clarifying certain financial obligations between Arizona-American and Del
28 Webb [Pulte] under the existing Anthem Water/Wastewater Infrastructure Agreement." The letter to

1 the Commission requests that the remainder of this rate proceeding be expedited to enable a
2 Commission vote at its December, 2007, Open Meeting.

3 The additional time required to complete the hearing in this matter has necessitated a
4 suspension of the Commission's timeclock rule in this case.

5 IT IS THEREFORE ORDERED that the Commission's timeclock rule is hereby suspended in
6 this case.

7 IT IS FURTHER ORDERED that the parties shall file their responses, if any, to late-filed
8 exhibits, and any requests for additional hearings, if any, no later than October 24, 2007.

9 IT IS FURTHER ORDERED that Arizona-American Water Company shall file its final
10 schedules in this case by 4:00 p.m. on October 31, 2007.

11 IT IS FURTHER ORDERED that all other parties shall filed their final schedules by 4:00
12 p.m. on November 6, 2007.

13 IT IS FURTHER ORDERED that all parties shall file their closing briefs by November 16,
14 2007, at 4:00 p.m.

15 IT IS FURTHER ORDERED that all parties shall file their reply briefs by December 11,
16 2007.

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

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

26 ...
27 ...
28 ...

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

4 Dated this 10/9/07 day of October, 2007

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7 
8 TEENA WOLFE
ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered
10 this 9th day of October, 2007 to:

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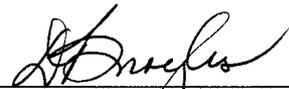
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By: 
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Secretary to Teena Wolfe