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BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
MARC SPITZER  
COMMISSIONER

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ARIZONA CORPORATION COMMISSION  
DOCUMENT CENTRAL

IN THE MATTER OF THE APPLICATION OF  
BLACK MOUNTAIN GAS COMPANY, CAVE  
CREEK OPERATIONS, FOR A HEARING TO  
DETERMINE THE EARNING OF THE  
COMPANY, THE FAIR VALUE OF THE  
COMPANY FOR RATEMAKING PURPOSES, TO  
FIX A JUST AND REASONABLE RATE OF  
RETURN THEREON AND TO APPROVE RATE  
SCHEDULES.

DOCKET NO. G-03703A-00-0283

Arizona Corporation Commission  
DOCKETED  
JAN 17 2001  
DOCKETED  
*MS*

**PROCEDURAL ORDER**

**BY THE COMMISSION:**

On April 28, 2000, Black Mountain Gas Company – Cave Creek Operations (“BMGC” or “Company”) filed with the Arizona Corporation Commission (“Commission”) a rate application.

On May 26, 2000, the Utilities Division (“Staff”) of the Commission filed a letter indicating that BMGC’s rate application was sufficient and classifying the utility as a Class A utility.

On May 30, 2000, the Residential Utility Consumer Office (“RUCO”) filed a Motion for Leave to Intervene. There has been no opposition to the request to intervene.

On June 20, 2000, the Commission issued the Amended Rate Case Procedural Order “ARC Order”) which granted intervention to RUCO and set forth the dates for hearing and for the filing of testimony.

On December 8, 2000, BMGC, RUCO and Staff filed what was captioned “Stipulation Between Parties to Extend Service” (“Stipulation”). The parties stipulated that the following dates be moved and/or extended: (1) time to file rebuttal from December 20, 2000 to December 29, 2000; (2) time to file surrebuttal to January 18, 2001; (3) time to file rejoinder to January 25, 2001; and (4) date for hearing to be set from January 18, 2001 to January 28, 2001.

On December 11, 2000, the Commission, by Procedural Order approved the Stipulation and extended the filing dates of the ARC Order and continued the hearing dates for the evidentiary portion of the hearing.

1 On December 26, 2000, BMGC, RUCO and Staff filed a second Stipulation. The parties  
2 stipulated that the following filing/hearing dates be moved and/or extended: (1) time to file rebuttal  
3 from December 29, 2000 to January 8, 2001; (2) time to file surrebuttal to January 29, 2001; (3) time  
4 to file rejoinder to February 5, 2001; (4) date for prehearing conference to be reset from January 29,  
5 2001 to February 8, 2001; and the date for an evidentiary hearing be reset from January 31, 2001 to  
6 February 12, 2001 or as soon thereafter as the may be heard.

7 On January 4, 2001, by Procedural Order, the Commission approved the second Stipulation  
8 and extended the filing dates of the ARC Order and continued the hearing dates for the evidentiary  
9 portion of the hearing.

10 On January 5, 2001, BMGC, RUCO and Staff filed what was captioned "Stipulation Between  
11 Parties to Vacate Hearing" ("Stipulation to Vacate"). The parties stipulated that the evidentiary  
12 hearing dates and deadlines for filing testimony should be vacated pending notification to the  
13 Administrative Law Judge of the need to reset the matter to take evidence on a formal Settlement  
14 Agreement ("Agreement") which had been reached in principle, and was in the process of being  
15 drafted.

16 On January 8, 2001, by Procedural Order, the Commission approved the Stipulation to  
17 Vacate, vacating the deadlines for filing testimony and vacating the hearing dates for the evidentiary  
18 portion of the hearing pending notification to the Administrative Law Judge that the parties were  
19 prepared to go forward with a hearing on the merits for the approval of the proposed Agreement.

20 On January 9, 2001, BMGC, RUCO and Staff filed what was captioned "Notice of Filing  
21 Settlement Agreement" ("Notice"). The parties attached a copy of the Agreement to the Notice and  
22 requested that an evidentiary hearing be set to take evidence on the merits of the Agreement which  
23 has been executed by all of the parties in the proceeding.

24 Accordingly, an evidentiary hearing should be set to review the merits of the Agreement.  
25 However, since BMGC has previously provided public notice that the proceeding is to be held on  
26 January 23, 2001 at 10:00 a.m., the proceeding will be initially convened on that date as scheduled  
27 for the taking of public comment.

28 IT IS THEREFORE ORDERED that the hearing in the above-captioned matter shall

1 commence on January 23, 2001 at 10:00 a.m., or as soon thereafter as is practical, at the  
2 Commission's offices in Phoenix, 1200 West Washington Street, Phoenix, Arizona 85007 for the  
3 purpose of taking public comment.

4 IT IS FURTHER ORDERED that an evidentiary hearing on the merits of the Settlement  
5 Agreement shall be held on February 8, 2001, at 1:30 p.m.

6 IT IS FURTHER ORDERED that all remaining Orders of the Amended Rate Care Procedural  
7 Order as set forth therein shall remain in effect.

8 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
9 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

10 DATED this 17<sup>th</sup> day of January, 2001.

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12  
13   
14 MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

15 Copies of the foregoing mailed/delivered  
16 this 17<sup>th</sup> day of January, 2001 to:

17 James H. Willson  
18 BLACK MOUNTAIN GAS CO.  
19 P.O. Box 427  
20 Cave Creek, Arizona 85327

21 Timothy Berg  
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23 3003 N. Central Avenue, Suite 2600  
24 Phoenix, Arizona 85012  
25 Attorneys for Black Mountain Gas Co.

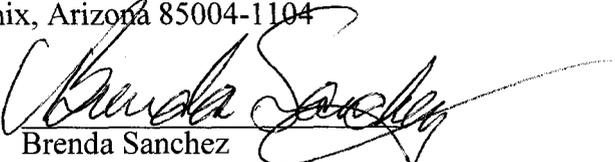
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6  
7 By:

  
Brenda Sanchez  
Secretary to Marc E. Stern

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