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**BEFORE THE ARIZONA CORPORATION COMMISSION**

CARL J. KUNASEK  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
WILLIAM A. MUNDELL  
COMMISSIONER

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IN THE MATTER OF THE APPLICATION OF  
RIO VERDE UTILITIES, INC. FOR AN  
INCREASE IN ITS WATER AND WASTEWATER  
RATES FOR CUSTOMERS WITHIN MARICOPA  
COUNTY, ARIZONA.

DOCKET NO. WS-02156A-00-0321

IN THE MATTER OF THE APPLICATION OF  
RIO VERDE UTILITIES, INC. FOR AUTHORITY  
TO ISSUE PROMISSORY NOTE(S) AND OTHER  
EVIDENCES OF INDEBTEDNESS PAYABLE AT  
PERIODS OF MORE THAN TWELVE MONTHS  
AFTER THE DATE OF ISSUANCE.

DOCKET NO. WS-02156A-00-0323

**PROCEDURAL ORDER**

**BY THE COMMISSION:**

On May 11, Rio Verde Utilities, Inc. ("Rio Verde") submitted an Application for Rate Increase and Request for approval of Financing ("Application").

On June 9, 2000, Staff of the Arizona Corporation Commission ("Staff") filed a letter stating that Rio Verde's Application was deemed sufficient as outlined in A.A.C. R14-2-103.B.7.

On June 9, 2000, Staff also filed a Motion to Consolidate and Request for Procedural Order ("Motion"). Staff stated in its Motion that the issues are substantially related and should be considered and acted upon at the same time.

No objections have been filed. Therefore, it is appropriate to grant Staff's Motion.

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that the above-referenced matters have been consolidated for purposes of testimony and hearing.

IT IS FURTHER ORDERED that a hearing shall commence on February 13, 2001 at 10:00 a.m., or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona 85007.

1 IT IS FURTHER ORDERED that a pre-hearing conference shall be held on February 8, 2001  
2 at 1:30 p.m., at the Commission's offices in Phoenix, Arizona for the purpose of discussing the  
3 scheduling of witnesses and the conduct of the hearing.

4 IT IS FURTHER ORDERED that any direct testimony and associated exhibits to be presented  
5 at hearing on behalf of Staff or Intervenors shall be reduced to writing and filed on or before 4:00  
6 p.m. on December 5, 2000.

7 IT IS FURTHER ORDERED that any rebuttal testimony and associated exhibits to be  
8 presented at hearing by Applicant shall be reduced to writing and filed on or before 4:00 p.m. on  
9 December 29, 2000.

10 IT IS FURTHER ORDERED that any surrebuttal testimony and associated exhibits to be  
11 presented by the Staff or Intervenors shall be reduced to writing and filed on or before 4:00 p.m. on  
12 January 19, 2001.

13 IT IS FURTHER ORDERED that any rejoinder testimony and associated exhibits to be  
14 presented by Applicant shall be reduced to writing and filed on or before 4:00 p.m. on February 2,  
15 2001.

16 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have  
17 been prefiled as of February 2, 2001 shall be made on or before February 8, 2001.

18 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to  
19 pre-filed testimony shall be reduced to writing and filed no later than five days before the witness is  
20 scheduled to testify.

21 IT IS FURTHER ORDERED that the parties shall prepare a brief, written summary of the  
22 pre-filed testimony of each of their witnesses and shall file each summary at least two working days  
23 before the witness is scheduled to testify.<sup>1</sup>

24 IT IS FURTHER ORDERED that copies of summaries should be served upon the Presiding  
25 Administrative Law Judge the Commissioners, and the Commissioners' aides as well as the parties of  
26 record.

27 \_\_\_\_\_  
28 <sup>1</sup> These summaries are for the administrative convenience of the Commission at hearing and will not  
become evidence in the case. Oral summaries will not be taken at hearing.

1 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,  
2 except that all motions to intervene must be filed on or before November 16, 2000.

3 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and  
4 regulations of the Commission, except that: any objection to discovery requests shall be made within  
5 five days<sup>2</sup> of receipt; responses to discovery requests shall be made within ten days of receipt; the  
6 response time may be extended by mutual agreement of the parties involved if the request requires an  
7 extensive compilation effort; and no discovery requests shall be served after February 9, 2000.

8 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel  
9 discovery, any party seeking discovery may telephonically contact the Commission's Hearing  
10 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a  
11 request, a procedural hearing will be convened as soon as practicable; and that the party making such  
12 a request shall forthwith contact all other parties to advise them of the hearing date and shall at the  
13 hearing provide a statement confirming that the other parties were contacted.<sup>3</sup>

14 IT IS FURTHER ORDERED that Applicant shall provide public notice of the hearing in this  
15 matter, in the following form and style, with the hearing in no less than 24 point bold type and the  
16 body in no less than 10 point regular type:

17 **PUBLIC NOTICE OF THE HEARING FOR**  
18 **RIO VERDE UTILITIES, INC. FOR AN APPLICATION FOR**  
19 **A RATE INCREASE AND REQUEST FOR FINANCING**

20 On May 11, 2000, Rio Verde Utilities, Inc. ("Rio Verde") submitted an Application  
21 for a Rate Increase and a Request for Approval of Financing.

22 The Commission will hold a hearing on these matters commencing on February 13,  
23 2001, at 10:00 a.m. at the Commission's offices, 1200 West Washington Street,  
24 Phoenix, Arizona. Public comments will be taken on the first day of the hearing.

25 The law provides for an open public hearing at which, under appropriate  
26 circumstances, interested parties may intervene. Intervention shall be permitted to  
27 any person entitled by law to intervene and having a direct and substantial interest in  
28 the matter. Persons desiring to intervene must file a written motion to intervene with  
the Commission, which motion should be sent to Applicant or its counsel and to all  
parties of record, and which, at the minimum, shall contain the following:

1. The name, address, and telephone number of the proposed intervenor and of

<sup>2</sup> All reference to "days" is to calendar days.

<sup>3</sup> The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

any party upon whom service of documents is to be made if different than the intervenor.

2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer of Applicant, a shareholder of Applicant, a competitor, etc.).
3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

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 November 16, 2000. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any customer from appearing at the hearing and making a statement on such customer's own behalf.

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 Cynthia Mercurio-Sandoval, ADA Coordinator, voice phone number 602/542-0838, E-mail *csandoval@cc.state.az.us*. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that Applicant shall cause the above notice to be published at least once in a newspaper of general circulation in its service territory, with publication to be completed no later than July 26, 2000.

IT IS FURTHER ORDERED that Applicant shall file certification of publication as soon as practicable after the publication has been completed.

IT IS FURTHER ORDERED that notice shall be deemed complete upon publication of same, notwithstanding the failure of an individual customer to read or receive the notice.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized Communications) applies to this proceeding as the matter is now set for public hearing.

IT IS FURTHER ORDERED that any amendment to the filing which changes the amount sought by the utility or substantially alters the facts used as a basis for the requested increases in rates or charges shall not be filed after July 17, 2000, unless good cause can be demonstrated.

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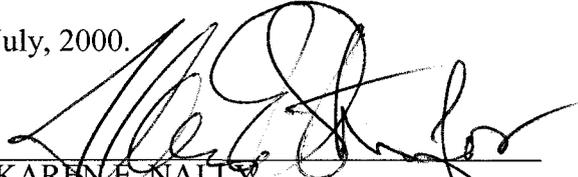
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1 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
2 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

3 DATED this 7th day of July, 2000.

4   
5 KAREN E. NALLY  
6 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

7  
8 Copies of the foregoing mailed/delivered  
9 this 7th day of July, 2000 to:

10 Richard L. Sallquist  
11 SALLQUIST & DRUMMOND, P.C.  
12 2525 E. Arizona Biltmore Circle, Suite 117  
13 Phoenix, Arizona 85016-2129  
14 Attorneys for Rio Verde Utilities, Inc.

15 Lyn Farmer, Chief Counsel  
16 LEGAL DIVISION  
17 1200 W. Washington Street  
18 Phoenix, Arizona 85007

19 Deborah R. Scott  
20 Utilities Division Director  
21 ARIZONA CORPORATION COMMISSION  
22 1200 W. Washington Street  
23 Phoenix, Arizona 85007

24 ARIZONA REPORTING SERVICE, INC.  
25 2627 N. Third Street, Suite Three  
26 Phoenix, Arizona 85004-1103

27 By:   
28 Debbi Person  
Secretary to Karen E. Nally

WS-02156A-00-0321, 0323

kg 2/13/00

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

3. Article Addressed to:

Richard L. Sallquist  
 SALLQUIST & DRUMMOND P.C.  
 2525 E Arizona Biltmore Circle  
 Suite 117  
 Phoenix, AZ 85016

4a. Article Number

P618 187 282

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

JUL 1 2000

5. Received By: (Print Name)

6. Signature (Addressee or Agent)

*Jennifer Kubala*

8. Addressee's Address (Only if requested and fee is paid)

Arizona Corporation Commission

**DOCKETED**

PS Form 3811, December 1994

102595-99-B-0223 Domestic Return Receipt

JUL 14 2000

DOCKETED BY	<i>JK</i>
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Thank you for using Return Receipt Service.

US-02156A-00-0321, 0323

Msg 8/13/01

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

3. Article Addressed to:

Rio Verde Utilities Inc  
 P O Box 31001  
 25609 Danny Lane  
 Rio Verde, AZ 85263

4a. Article Number

DL8 187 281

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

7-21-00

5. Received By: (Print Name)

*Nancy Whitaker*

6. Signature (Addressee or Agent)

*Nancy Whitaker*

PS Form 3811 December 1994

8. Addressee's Address (Only if requested and fee is paid)

102595-99-B-0223 Domestic Return Receipt

Thank you for using Return Receipt Service.