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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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JEFF HATCH-MILLER Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

AZ CORP COMMISSION
DOCUMENT CONTROL

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF
OAK CREEK UTILITY CORPORATION FOR AN
INCREASE IN ITS WATER AND WASTEWATER
RATES FOR CUSTOMERS WITHIN COCONINO
COUNTY, ARIZONA.

DOCKET NO. WS-02061A-04-0835

IN THE MATTER OF THE APPLICATION OF
OAK CREEK UTILITY CORPORATION 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-02061A-04-0836

PROCEDURAL ORDER

BY THE COMMISSION:

On November 19, 2004, Oak Creek Utility Corporation ("Oak Creek" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase in water and wastewater rates in Docket No. WS-02061A-04-0835. Concurrently, Oak Creek filed an application for authority to issue promissory note(s) and other evidences of indebtedness in Docket No. WS-02061A-04-0836. By Procedural Order issued April 12, 2005, the dockets were consolidated.

By Procedural Order issued April 15, 2005, David Peck was granted intervention in the consolidated dockets.

By its application, Oak Creek seeks to increase water rates for an average customer by \$41.75 per month, or approximately 153 percent. The Company seeks an increase in wastewater rates for an average customer of \$39.21 per month, or approximately 210 percent.

Letters were filed by various customers on December 3, 2004 (2), December 6, 2004, December 7, 2004, January 4, 2005, and January 28, 2005 stating opposition to the Company's proposed rate increase. In its Staff Report filed April 11, 2005, the Commission's Utilities Division

1 Staff ("Staff") stated that 13 "opinions" were filed against the proposed rate increase.

2 In the Staff Report, Staff recommends that Oak Creek's rate increase request should be
3 reduced significantly. Under Staff's recommendation, an average customer's rates would increase by
4 \$14.23 per month for water service (approximately 52 percent), and by \$9.60 per month for
5 wastewater service (approximately 51 percent).

6 In order to receive additional customer input regarding this matter, a public comment hearing
7 will be conducted in the Oak Creek area on May 5, 2005, at 6:00 p.m., and the Company will be
8 required to mail notice to all customers prior to the hearing.

9 IT IS THEREFORE ORDERED that Public Comment will be taken in this proceeding to
10 enable customers of Oak Creek Utility Corporation to comment regarding the proposed rate increase
11 and Staff's recommendations as set forth in the Staff Report. **The Public Comment hearing will be
12 held on May 5, 2005, at 6:00 p.m., at the Wayside Chapel Meeting Room, 401 North 89A,
13 Sedona, Arizona.**

14 IT IS FURTHER ORDERED that Oak Creek Utility Corporation shall provide public notice
15 of the Public Comment hearing, in the following form and style:

16 **NOTICE OF PUBLIC COMMENT HEARING ON THE REQUEST FOR A RATE**
17 **INCREASE AND FINANCING APPROVAL BY OAK CREEK UTILITY CORPORATION**
18 **AND THE ARIZONA CORPORATION COMMISSION UTILITIES DIVISION STAFF'S**
19 **RECOMMENDATION FOR A LOWER RATE INCREASE THAN THAT PROPOSED BY**
20 **OAK CREEK UTILITY CORPORATION**
21 **DOCKET NO. WS-02061A-04-0835 ET AL.**

22 On November 19, 2004, Oak Creek Utility Corporation ("Oak Creek" or "Company")
23 filed with the Arizona Corporation Commission ("Commission") an application for a
24 rate increase in water and wastewater rates in Docket No. WS-02061A-04-0835.
25 Concurrently, Oak Creek filed an application for authority to issue promissory note(s)
26 and other evidences of indebtedness in Docket No. WS-02061A-04-0836. By
27 Procedural Order issued April 12, 2005, the dockets were consolidated. By its
28 application, Oak Creek seeks to increase water rates for an average customer by
\$41.75 per month, or approximately 153 percent. The Company seeks an increase in
wastewater rates for an average customer of \$39.21 per month, or approximately 210
percent.

In its April 11, 2005 Staff Report, the Commission's Utilities Division Staff ("Staff")
recommended that Oak Creek's rate increase request should be reduced significantly.
Under Staff's recommendation, an average customer's rates would increase by \$14.23
per month for water service (approximately 52 percent), and by \$9.60 per month for
wastewater service (approximately 51 percent).

1 **The Commission will hold a Public Comment hearing on this matter on May 5,**
2 **2005, at 6:00 p.m., at the Wayside Chapel Meeting Room, 401 North 89A,**
3 **Sedona, Arizona, to enable customers of Oak Creek Utility Corporation to**
4 **comment regarding the proposed rate increase and Staff's recommendations as**
5 **set forth in the Staff Report.**

6 If you have any questions or concerns about this matter, you may write the Consumer
7 Services Section of the Commission at 1200 West Washington Street, Phoenix,
8 Arizona 85007 or call 1-800-222-7000 or appear at the Public Comment hearing and
9 make comment.

10 The Commission does not discriminate on the basis of disability in admission to its
11 public meetings. Persons with a disability may request a reasonable accommodation
12 such as a sign language interpreter, as well as request this document in an alternative
13 format, by contacting Linda Hogan, ADA Coordinator, voice phone number 602/542-
14 3931, E-mail lhogan@cc.state.az.us. Requests should be made as early as possible to
15 allow time to arrange the accommodation.

16 IT IS FURTHER ORDERED that Oak Creek Utility Corporation shall mail a copy of the
17 notice set forth above to each of the Company's customers by no later than April 25, 2005.

18 IT IS FURTHER ORDERED that Oak Creek Utility Corporation shall file certification of
19 compliance with the notice requirements as soon as possible after notice has been completed, but no
20 later than May 2, 2005.

21 IT IS FURTHER ORDERED that the Administrative Law Judge may subsequently rescind,
22 alter, amend, or waive any portion of this Procedural Order.

23 Dated this 20th day of April, 2005

24 

25 DWIGHT D. NODES
26 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

27 Copies of the foregoing mailed/delivered
28 this 20 day of April, 2005 to:

29 Richard L. Sallquist (via facsimile and regular mail)
30 SALLQUIST & DRUMMOND
31 4500 S. Lakeshore Drive, Ste. 339
32 Tempe, AZ 85282
33 Attorneys for Oak Creek Utility Corporation

34 David Peck
35 P.O. Box 1354
36 Sedona, AZ 86339

1 Christopher Kempley, Chief Counsel
2 Legal Division
3 ARIZONA CORPORATION COMMISSION
4 1200 West Washington Street
5 Phoenix, AZ 85007

6 Ernest G. Johnson, Director
7 Utilities Division
8 ARIZONA CORPORATION COMMISSION
9 1200 West Washington
10 Phoenix, AZ 85007

11 ARIZONA REPORTING SERVICE, INC.
12 2627 N. Third Street, Ste. Three
13 Phoenix, Arizona 85004-1104

14 By:

15 
16 Molly Johnson
17 Secretary to Dwight D. Nodes
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