



BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
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AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
WHY UTILITY COMPANY, INC. FOR A RATE
INCREASE.

DOCKET NO. W-02052A-05-0529

IN THE MATTER OF THE APPLICATION OF
WHY UTILITY COMPANY, INC. FOR
APPROVAL OF FINANCING.

DOCKET NO. W-02052A-05-0528

PROCEDURAL ORDER

BY THE COMMISSION:

On July 22, 2005, Why Utility Company ("Why" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for approval of financing to fund the purchase and/or construction of arsenic removal equipment, and an application for a rate increase.

Staff notified the Company that its rate application was sufficient on October 7, 2005, and classified the Company as a Class E utility. The applications were consolidated by Procedural Order dated November 8, 2005.

On December 6, 2005, Staff filed its Staff Report, recommending rates and charges different than proposed by the Company and recommending approval of long-term financing in the amount of \$186,000.

On December 29, 2005, Why filed a Response to the Staff Report contesting Staff's recommendation concerning Depreciation Expense. On January 4, 2006, Why made a Supplemental Filing which included copies of invoices referenced in its December 29, 2005 Response.

The dispute appears to have a significant effect on rates that will ultimately be adopted. The matter is a non-hearing matter under the Commission's rules, and no party has requested a hearing, however, additional information is required to resolve the dispute. Although providing information

1 on the average life of its pumps, the Company did not provide an updated rate schedule in the event
2 the Commission agreed with its position. Further, in its Response the Company requests that the
3 Commission approve a revenue requirement of \$38,936 "as set forth in the Company's Rate
4 Application." However, the \$38,936 amount does not appear to match the revenue requested in the
5 Application. The Company appears to accept the remainder of Staff's recommendations. Staff has
6 not had an opportunity to Reply to the Company's information concerning the depreciation expense
7 issue.

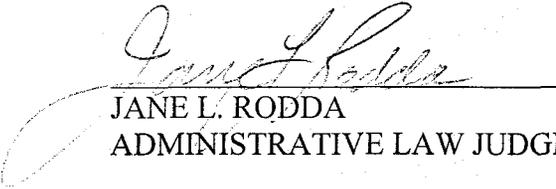
8 IT IS THEREFORE ORDERED that the Company shall file a revised schedule of adjusted
9 revenues and expenses and a corresponding rate schedule that reflect its final position by January 18,
10 2006.

11 IT IS FURTHER ORDERED that Staff shall file a Reply to the Company's Response to the
12 Staff and Report and Supplemental Filing by January 25, 2006.

13 IT IS FURTHER ORDERED that the additional information received in this case subsequent
14 to the Staff Report warrants a 60 day extension of the time clock until April 4, 2006.

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

17 DATED this 10th day of January 10, 2006.

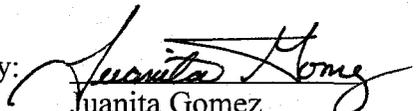
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20 
21 JANE L. RODDA
22 ADMINISTRATIVE LAW JUDGE

23 Copies of the foregoing mailed
24 this 10th day of January, 2006 to:

25 Kimberly A. Grouse
26 Robert Metli
27 Snell & Wilmer LLP
28 One Arizona Center
400 East Van Buren
Phoenix, Arizona 85004-2292
Attorneys for Why Utility Company

Christopher Kempley, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 W. Washington Street
Phoenix, Arizona 85007

1 Ernest Johnson, Director
2 Utilities Division
3 ARIZONA CORPORATION COMMISSION
4 1200 W. Washington Street
5 Phoenix, Arizona 85007

6 By: 
7 Juanita Gomez
8 Secretary to Jane L. Rodda
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