



BEFORE THE ARIZONA CORPORATION COMMISSION

254

COMMISSIONERS

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

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AZ CORP COMMISSION DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION FOR EMERGENCY INTERIM RATE RELIEF FOR MIRACLE VALLEY WATER COMPANY, INC., COCHISE WATER COMPANY, HORSESHOE RANCH WATER COMPANY, CRYSTAL WATER COMPANY, MUSTANG WATER COMPANY, SIERRA SUNSET WATER COMPANY AND CORONADO ESTATES WATER COMPANY, OWNED BY JOHNNY A. MCLAIN.

- DOCKET NO. W-01646A-06-0010
- W-01868A-06-0010
- W-02235A-06-0010
- W-02316A-06-0010
- W-02230A-06-0010
- W-01629A-06-0010
- W-02240A-06-0010

PROCEDURAL ORDER

BY THE COMMISSION:

On January 6, 2006, the Arizona Small Utilities Association of Arizona ("ASUA" or "Applicant"), Interim Manager of the seven water systems captioned above ("McLain Systems"), filed a Request for Emergency Interim Rate Relief with the Arizona Corporation Commission ("Commission").

By Procedural Order dated January 23, 2006, the Hearing Division convened a Procedural Conference on February 1, 2006, for the purpose of establishing procedural guidelines.

On January 27, 2006, Stephen A. Cockrum, a customer of the Horseshoe Ranch system, filed a request to intervene.

At the February 1, 2006 Procedural Conference, Commission Utilities Division Staff ("Staff") indicated that they would be able to file a Staff Report no later than February 10, 2006, and most likely earlier. There was consensus among the participating parties, which included Staff, ASUA, and two customers, that a Public Comment meeting in the local area would be beneficial and that a hearing near the end of February would give parties time to respond to the Staff Report. In addition, ASUA did not object to Mr. Cockrum's request to intervene.

Pursuant to A.A.C. R14-3-101, the Commission makes the following orders governing the preparation and conduct of this matter:

1 IT IS THEREFORE ORDERED that a **Public Comment Meeting** concerning the request for  
2 emergency rates shall commence on **February 21, 2006**, at 6:00 p.m. at the Windemere Hotel and  
3 Conference Center, 2047 South Highway 92, Sierra Vista, Arizona 85735.

4 IT IS FURTHER ORDERED that the **Hearing** in the above-captioned matter shall commence  
5 on **February 28, 2006 at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's  
6 offices, **Room 222**, 400 West Congress, Tucson, Arizona 85701.<sup>1</sup>

7 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,  
8 except that all motions to intervene must be filed on or before February 22,, 2006.

9 IT IS FURTHER ORDERED that the Staff Report or direct testimony and associated exhibits  
10 to be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before  
11 **February 10, 2006**.

12 IT IS FURTHER ORDERED that any responses to the Staff Report and any testimony or  
13 comments to be presented at hearing on behalf of the Applicant or intervenors shall be reduced to  
14 writing and filed on or before **February 22, 2006**.

15 IT IS FURTHER ORDERED that any response to comments or testimony filed on February  
16 22, 2006, may be made at the hearing.

17 IT IS FURTHER ORDERED that in their pre-filed written testimony or in oral testimony at  
18 the hearing, the parties shall address their recommendations for accountability controls on the  
19 collection and spending of the proposed surcharge funds.

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21 IT IS FURTHER ORDERED that the Applicant shall provide public notice of the hearing in  
22 this matter in the following form and style:  
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28 <sup>1</sup> Barring technical difficulties, audio of the Tucson hearing will be available via audio streaming on the Commission's website.

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PUBLIC NOTICE  
MIRACLE VALLEY WATER COMPANY, INC.  
COCHISE WATER COMPANY,  
HORSESHOE RANCH WATER COMPANY,  
CRYSTAL WATER COMPANY,  
MUSTANG WATER COMPANY,  
CORONADO ESTATES WATER COMPANY, AND  
SIERRA SUNSET WATER COMPANY  
EMERGENCY RATE HEARING  
DOCKET NOS. W-01646A-06-0010 ET AL

On January 6, 2006, the Arizona Small Utilities Association of Arizona (“ASUA”), the interim manager of Miracle Valley Water Company, Inc. Cochise Water Company, Horseshoe Ranch Water Company, Crystal Water Company, Mustang Water Company, Coronado Estates Water Company, and Sierra Sunset Water Company (“McLain Systems” or “Applicants”) filed an application with the Arizona Corporation Commission (“Commission”) for an emergency increase in rates. The McLain Systems are requesting a monthly surcharge of \$9.00 for every connection. Copies of the application are available at the Applicants’ office [**COMPANY INSERT ADDRESS HERE**] and at the Commission's offices in the Docket Control Center, 1200 West Washington, Phoenix, Arizona and at 400 West Congress St., Suite 218, Tucson, Arizona for public inspection during regular business hours as well as on the Commission’s website [www.cc.state.az.us](http://www.cc.state.az.us) by using the eDocket link.

The Commission will hold a **public comment** meeting on this matter **on February 21, 2006** at 6:00 p.m. at the **Windemere Hotel** and Conference Center, **2047 South Highway 92, Sierra Vista**, Arizona. Any person with an interest in this matter may appear at the public comment meeting and make a statement concerning the application.

The Commission will hold a public hearing on this matter **on February 28, 2006, at 10:00 a.m.** at the Commission’s offices, **Room 222, 400 West Congress Street, Tucson**, Arizona. Additional public comments will be taken at the beginning of the hearing. Upon conclusion of the hearing, the presiding administrative law judge will take the matter under advisement and will draft a recommended Opinion and Order for the Commission’s consideration. The Commission will ultimately vote on the application at a subsequent Open Meeting at a date to be determined, and may adopt the Company’s proposed rates, or rates that are higher or lower than those sought by the Applicants.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written motion to intervene with the Commission no later than February 22, 2006. The motion to intervene must be sent to the Applicants or their counsel and to all parties of record, and must contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different from the intervenor.

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

5           The granting of intervention, among other things, entitles a party to present sworn  
6           evidence at the hearing and to cross-examine other witnesses. However, failure to  
7           intervene will not preclude any interested person or entity from appearing at the public  
8           comment meeting or hearing and providing public comment on the application or from  
9           filing written comments in the record of the case. You will not receive any further  
10          notice of this proceeding unless you request it.

11          If you have any questions about this application, wish to file written comments on the  
12          application, or want further information on intervention, you may contact the  
13          Consumer Services Section of the Commission at 1200 West Washington Street,  
14          Phoenix, Arizona 85007, or call 1-800-222-7000.

15          The Commission does not discriminate on the basis of disability in admission to its  
16          public meetings. Persons with a disability may request a reasonable accommodation  
17          such as a sign language interpreter, as well as request this document in an alternative  
18          format, by contacting the ADA Coordinator, Linda Hogan, at [LHogan@cc.state.az.us](mailto:LHogan@cc.state.az.us),  
19          voice phone number 602/542-3931. Requests should be made as early as possible to  
20          allow time to arrange the accommodation.

21          IT IS FURTHER ORDERED that ASUA shall mail a copy of the notice to all customers of  
22          the McLain Systems by first class U.S. Mail by **February 8, 2006**.

23          IT IS FURTHER ORDERED that ASUA shall cause the notice to be published no later than  
24          February 16, 2006, in a newspaper of general circulation in the service areas of the McLain Systems.

25          IT IS FURTHER ORDERED that ASUA shall file certification of mailing and publication as  
26          soon as practicable after the notification has been completed.

27          IT IS FURTHER ORDERED that notice in accordance with this Procedural Order shall be  
28          deemed complete upon mailing, notwithstanding the failure of an individual customer to read or  
29          receive the notice.

30          IT IS FURTHER ORDERED that the Request to Intervene by Mr. Cockrum is granted.

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

1 IT IS FURTHER ORDERED that to the extent that provisions of this Procedural Order  
2 conflicts with Title 14 of the A.A.C., the provisions of this Procedural Order are controlling.

3 IT IS FURTHER ORDERED that the time period specified herein shall not be extended  
4 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

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

7 DATED this 2<sup>nd</sup> day of February, 2006.

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11 JANE L. RODDA  
12 ADMINISTRATIVE LAW JUDGE

13 Copies of the foregoing mailed  
14 this 2<sup>nd</sup> day of February, 2006 to:

15 Timothy A. Edward  
16 Arizona Small Utilities Association  
17 210 N. Central, Suite 6B  
18 Avondale, Arizona 85323  
19 Interim Manager for the McLain Systems

20 Christopher J Pattock  
21 Office of the U.S. Trustee  
22 P.O. Box 36170  
23 Phoenix, Arizona 85067-1670

24 Steven L. Wene, Esq.  
25 MOYES STOREY  
26 1850 North Central Ave., #1100  
27 Phoenix, AZ 85004

28 Stephen A. Cockrum  
5328 Corral Drive  
Hereford, Arizona 85615

Christopher Kempsey, Chief Counsel  
Jason Gellman  
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 Arizona Reporting Service, Inc.  
7 2627 N. Third Street, Suite Three  
8 Phoenix, Arizona 85004-1103

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By:   
Juanita Gomez  
Secretary to Jane L. Rodda