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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2006 MAR 28 A 11: 21

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

ARIZONA CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR A HEARING TO DETERMINE THE FAIR VALUE OF THE UTILITY PROPERTY OF THE COMPANY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RATE OF RETURN THEREON, TO APPROVE RATE SCHEDULES DESIGNED TO DEVELOP SUCH RETURN, AND TO AMEND DECISION NO. 67744.

DOCKET NO. E-01345A-05-0816

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On November 4, 2005, the Arizona Public Service Company ("APS") filed an application with the Arizona Corporation Commission ("Commission") for a rate increase and to amend Decision No. 67744 (April 7, 2005).

On February 24, 2006, the Utilities Division Staff ("Staff") of the Commission filed a letter stating that the application was found sufficient and classified the applicant as a Class A utility.

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 **hearing** in the above-captioned matter shall commence on **September 25, 2006, at 10:00 a.m.** or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street, Arizona 85007.

IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **September 21, 2006 at 10:00 a.m.**, at the Commission's Phoenix offices, for the purpose of scheduling witnesses and the conduct of the hearing.

IT IS FURTHER ORDERED that the Staff Report and/or any testimony and associated exhibits to be presented at hearing on behalf of Staff on all issues except for rate design shall be reduced to writing and filed on or before **August 4, 2006**, and on rate design issues on or before **August 18, 2006**.

1 IT IS FURTHER ORDERED that any testimony and associated exhibits to be presented at
2 hearing on behalf of intervenors on all issues except rate design shall be reduced to writing and filed
3 on or before **August 4, 2006**, and on rate design issues on or before **August 18, 2006**.

4 IT IS FURTHER ORDERED that any rebuttal testimony and associated exhibits to be
5 presented at hearing by APS shall be reduced to writing and filed on or before **noon on September 1,**
6 **2006.**

7 IT IS FURTHER ORDERED that any surrebuttal testimony and associated exhibits to be
8 presented by the Staff or intervenors shall be reduced to writing and filed on or before **September 11,**
9 **2006.**

10 IT IS FURTHER ORDERED that any rejoinder testimony and associated exhibits to be
11 presented at the hearing on behalf of APS shall be reduced to writing and filed on or before
12 **September 18, 2006.**

13 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m. on the date the**
14 **filing is due, unless otherwise indicated above.**

15 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have
16 been prefiled as of September 21, 2006, shall be made before or at the September 21, 2006 pre-
17 hearing conference.

18 IT IS FURTHER ORDERED that all testimony filed shall include a table of contents which
19 lists the issues discussed.

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

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

26 IT IS FURTHER ORDERED that copies of summaries should be served upon the Presiding
27 Officer, the Commissioners, and the Commissioners' aides as well as the parties of record.
28

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 July 25, 2006.

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 7 days¹ of receipt and responses to discovery requests shall be made within 10 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 September 22, 2006.

8 IT IS FURTHER ORDERED that discovery requests, objections, and answers may be served
9 electronically.²

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

17 IT IS FURTHER ORDERED that any motions which are filed in this matter and which are
18 not ruled upon by the Commission within 10 days of the filing date of the motion shall be deemed
19 denied.

20 IT IS FURTHER ORDERED that any responses to motions shall be filed within five days of
21 the filing date of the motion.

22 IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date
23 of the response.

24 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
25

26 ¹ "Days" means calendar days. The date of receipt of discovery requests is not counted as a day, and requests
received after 4:00 p.m. MST will be considered as received the next business day.

27 ² If requested by the receiving party, and the sending party has the technical capability, service electronically is
mandatory.

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

1 this matter, in the following form and style with the heading in no less than 24 point bold type and the
 2 body in no less than 10 point regular type:

3
 4 **PUBLIC NOTICE OF HEARING ON THE APPLICATION FOR RATE INCREASE**
 5 **AND TO AMEND DECISION NO. 67744**
 6 **DOCKET NUMBER E-01345A-05-0816**

7 On November 4, 2005, Arizona Public Service Company, ("APS") filed an application
 8 with the Arizona Corporation Commission for a permanent base rate increase of \$405
 9 million or 19.73 percent on average, and for approval to amend Decision No. 67744.
 10 On January 31, 2006, the Company filed an amended application for a \$449.6 million
 11 increase (21.1 percent on average) in base rates. The actual percentage rate increase
 for individual customers will vary depending upon the type and quantity of service
 provided. Copies of APS' application and proposed tariffs are available at its office
 [insert address and telephone number] and the Commission's offices at 1200 West
 Washington, Phoenix, Arizona, for public inspection during regular business hours
 and on the internet via the Commission website (www.azcc.gov) using the e-docket
 function.

12 The Commission will hold a hearing on this matter beginning **September 25, 2006 at**
 13 **10:00 a.m.** at the Commission's offices, 1200 West Washington, Phoenix, Arizona.
 14 Public comments will be taken on the first day of the hearing. Written public
 15 comments may be submitted via email (visit
 16 <http://www.azcc.gov/utility/cons/index.htm> for instructions), or by mailing a letter
 referencing Docket Number E-01345A-05-0816 to: Arizona Corporation Commission,
 Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007.

17 The law provides for an open public hearing at which, under appropriate
 18 circumstances, interested parties may intervene. Intervention shall be permitted to any
 19 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, which motion should be sent to APS or its counsel and to all parties of
 record, and which, at the minimum, shall contain the following:

- 20 1. The name, address, and telephone number of the proposed intervenor
 21 and of any party upon whom service of documents is to be made if
 different than the intervenor.
- 22 2. A short statement of the proposed intervenor's interest in the
 23 proceeding (e.g., a customer, stockholder of APS, etc.).
- 24 3. A statement certifying that a copy of the motion to intervene has been
 mailed to APS or its counsel and to all parties of record in the case.

25 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
 26 that all motions to intervene must be filed on or before July 25, 2006. For information
 27 about requesting intervention, visit the Arizona Corporation Commission's webpage at
<http://www.azcc.gov/utility/forms/index.htm>. The granting of intervention, among
 28 other things, entitles a party to present sworn evidence at hearing and to cross-examine

1 other witnesses. However, failure to intervene will not preclude any customer from
2 appearing at the hearing and making a statement on such customer's own behalf.

3 The Commission does not discriminate on the basis of disability in admission to its
4 public meetings. Persons with a disability may request a reasonable accommodation
5 such as a sign language interpreter, as well as request this document in an alternative
6 format, by contacting the ADA Coordinator Linda Hogan, E-mail Lhogan@azcc.gov,
7 voice phone number 602/542-3931. Requests should be made as early as possible to
8 allow time to arrange the accommodation.

9 IT IS FURTHER ORDERED that APS shall mail to each of its customers a copy of the above
10 notice either as a bill insert beginning with the first billing cycle in April, 2006, or by special mailing
11 concluding no later than May 1, 2006, and shall cause the above notice to be published at least twice
12 in a newspaper of general circulation in all its service territories, with publication to be completed no
13 later than May 1, 2006.

14 IT IS FURTHER ORDERED that APS shall file certification of mailing/publication as soon
15 as practicable after the mailing/publication has been completed.

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

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

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

22 IT IS FURTHER ORDERED that all parties must comply with Rule 33(c) and (d) of the
23 Rules of the Arizona Supreme Court with respect to practice of law and admission *pro hac vice*.

24 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
25 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
26 Rules of Arizona Supreme Court). Representation before the Commission includes to appear at all
27 hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled
28 for discussion, unless counsel has previously been granted permission to withdraw by the
Administrative Law Judge or the Commission.

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 28 day of March, 2006

4
5
6 
7 LYN FARMER
8 CHIEF ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered
10 this 28 day of March, 2006 to:

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