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25# ORIGINAL

Arizona Corporation Commission

REPORTING COMMISSION DOCKETED

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MARC SPITZER  
COMMISSIONER

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AZ CORP COMMISSION  
DOCUMENT CONTROL

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IN THE MATTER OF THE APPLICATION OF ST.  
DAVID WATER ASSOCIATE FOR A  
PERMANENT RATE INCREASE.

DOCKET NO. W-02084A-01-0389

IN THE MATTER OF THE APPLICATION OF ST.  
DAVID WATER ASSOCIATION FOR  
FINANCING APPROVAL.

DOCKET NO. W-02084A-01-0636

**PROCEDURAL ORDER**

**BY THE COMMISSION:**

On May 7, 2001, St. David Water Association ("St. David", "Company" or "Applicant") filed with the Arizona Corporation Commission ("Commission") a rate application for a permanent rate increase. On August 3, 2001, Applicant filed an application requesting financing approval. Pursuant to the Applicant's request for a hearing, by Procedural Order dated November 6, 2001, the matters were set for a hearing on January 3, 2002.

By letter docketed November 29, 2001, applicant requested that its request for a rate increase and for approval of financing be withdrawn.

On December 13, 2001, Commission Utilities Division Staff ("Staff") filed a Response to Applicant's Request to Withdraw. Staff opposes the withdrawal of the applications because the Commission has not approved Applicant's long-term loan and because Staff is concerned that Applicant's rates are sufficient to assure its financial vitality.

We agree with Staff that the case should proceed. Until Applicant's November 29, 2001 letter, Applicant and Staff agreed that the Company was entitled to a rate increase. Applicant does not appear to dispute Staff's recommended revenue level, but disagrees with Staff's proposed rate design. Although Applicant has indicated it is attempting to form an Improvement District, it is not known when this effort will be completed. In the interim, the Commission must ensure that the Company has the financial ability to provide adequate service to its customers. Consequently, it is

1 not prudent to dismiss the applications at this time.

2 Applicant has indicated that it has not yet notified its customers of the January 3, 2002  
3 hearing date. To provide sufficient time for adequate notification, the January 3, 2002 hearing date  
4 should be vacated and the hearing rescheduled for January 31, 2002.

5 IT IS THEREFORE ORDERED that Applicant's request to withdraw its applications is  
6 denied.

7 IT IS FURTHER ORDERED that the hearing in the above-captioned matter shall commence  
8 on January 31, 2002 at 10:00 a.m., or as soon thereafter as is practical, at the Commission's offices in  
9 Tucson, Room 222, 400 West Congress Street, Tucson, Arizona.

10 IT IS FURTHER ORDERED that any of Applicant's rebuttal evidence and exhibits to be  
11 presented at hearing on behalf of Applicant and not previously filed with the applications shall be  
12 reduced to writing and filed on or before January 15, 2002.

13 IT IS FURTHER ORDERED that any surrebuttal evidence and associated exhibits to be  
14 presented by the Staff shall be reduced to writing and filed on or before January 25, 2002.

15 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,  
16 except that all motions to intervene must be filed on or before January 22, 2002.

17 IT IS FURTHER ORDERED that the Applicant shall provide public notice of the hearing in  
18 this matter, in the following form and style:

19  
20 **PUBLIC NOTICE OF HEARING ON THE**  
**RATE AND FINANCING APPLICATIONS OF**  
21 **ST DAVID WATER ASSOCIATION**

22 On May 7, 2001 and on August 3, 2001, St. David Water Association  
23 ("Company") filed applications with the Arizona Corporation Commission for a 31  
24 percent increase in water rates, and for financing approval, respectively. The actual  
25 percentage rate increase for individual customers will vary depending upon the type and  
quantity of service provided. Copies of the Company's applications and proposed tariffs  
are available at their offices and the Commission's offices for public inspection during  
regular business hours.

26 The Commission will hold a hearing on this matter beginning January 31, 2002 at  
27 10:00 a.m. at the Commission's offices, 400 West Congress, Tucson, Arizona. Public  
comments will be taken at the outset of the hearing.

28 The law provides for an open public hearing at which, under appropriate  
circumstances, interested parties may intervene. Intervention shall be permitted to any

1 person entitled by law to intervene and having a direct and substantial interest in the  
2 matter. Persons desiring to intervene must file a written motion to intervene with the  
3 Commission, which motion should be sent to the Companies or their counsel and to all  
4 parties or record, and which, at the minimum, shall contain the following:

- 5 1. The name, address, and telephone number of the proposed intervenor and of any  
6 party upon whom service of documents is to be made if different than the  
7 intervenor.
- 8 2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a  
9 customer of one of the Companies, a shareholder of one of the Companies, etc.).
- 10 3. A statement certifying that a copy of the motion to intervene has been mailed to  
11 the Companies or their counsel and to all parties of record in the case.

12 The granting of motions to intervene shall be governed by A.A.C. R14-3-105,  
13 except that all motions to intervene must be filed on or before January 22, 2002. The  
14 granting of intervention, among other things, entitles a party to present sworn evidence at  
15 hearing and to cross-examine other witnesses. However, failure to intervene will not  
16 preclude any customer from appearing at the hearing and making a statement on such  
17 customer's own behalf.

18 If you have any questions or concerns about this application or have any  
19 objections to its approval, or wish to make a statement in support of it, you may write the  
20 Consumer Services Section of the Commission at 1200 West Washington Street,  
21 Phoenix, Arizona 85007 or call 1-800-222-7000 or appear at the hearing and make  
22 comment.

23 The Commission does not discriminate on the basis of disability in admission to  
24 its public meetings. Persons with a disability may request a reasonable accommodation  
25 such as a sign language interpreter, as well as request this document in an alternative  
26 format, by contacting Shelly Hood, ADA Coordinator, voice phone number 602/542-  
27 0838, E-mail *shood@cc.state.az.us*. Requests should be made as early as possible to  
28 allow time to arrange the accommodation.

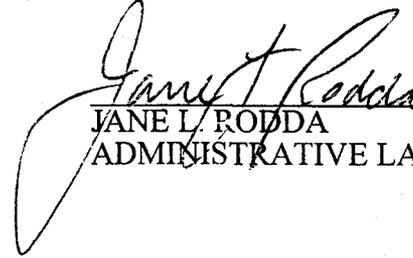
IT IS FURTHER ORDERED that the Applicant shall mail to each of its customers a copy of  
the above notice by January 4, 2002.

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

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

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 19<sup>th</sup> day of December, 2002.

4  
5   
6 JANE L. RODDA  
7 ADMINISTRATIVE LAW JUDGE

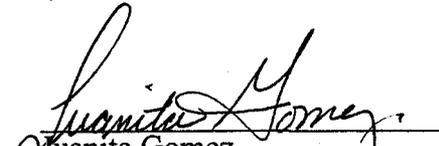
8 Copies of the foregoing mailed/delivered  
9 this 19<sup>th</sup> day of December, 2002 to:

10 Reg Garavito, Board President  
11 Fred Kartchner, Operations Manager  
12 St. David Water Association  
13 112 W. Patton Street  
14 St. David, AZ 85630

15 Christopher Kempley, Chief Counsel  
16 Legal Division  
17 ARIZONA CORPORATION COMMISSION  
18 1200 West Washington Street  
19 Phoenix, AZ 85007

20 Ernest G. Johnson, Director  
21 Utilities Division  
22 ARIZONA CORPORATION COMMISSION  
23 1200 West Washington Street  
24 Phoenix, Arizona 85007

25 ARIZONA REPORTING SERVICE, INC.  
26 2627 N. Third Street, Suite Three  
27 Phoenix, Arizona 85004-1104

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By:   
Juanita Gomez  
Secretary to Jane L. Rodda