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BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

DOCKETED

DEC 03 2002

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AZ CORP COMMISSION
DOCUMENT CONTROL

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF
CITIZENS COMMUNICATIONS COMPANY,
ARIZONA GAS DIVISION, FOR A HEARING TO
DETERMINE THE FAIR VALUE OF ITS
PROPERTIES FOR RATEMAKING PURPOSES,
TO FIX A JUST AND REASONABLE RATE OF
RETURN THEREON, AND TO APPROVE RATE
SCHEDULES DESIGNED TO PROVIDE SUCH
RATE OF RETURN.

DOCKET NO. G-01032A-02-0598
Arizona Corporation Commission

DOCKETED

DEC 03 2002

DOCKETED BY []

PROCEDURAL ORDER

BY THE COMMISSION:

By Procedural Order issued November 8, 2002, a hearing date of June 24, 2003 was established in this proceeding along with other related procedural dates.

On November 20, 2002, Citizens Communications Company ("Citizens" or "Company") filed a Motion to Suspend ("Motion"). Citizens states that, on October 29, 2002, it entered into an Asset Purchase Agreement with UniSource Energy Corporation ("UniSource") which provides for UniSource to purchase Citizens' gas utility assets in Arizona. According to the Motion, Citizens and UniSource intend to file a joint application for approval of the transaction by mid-December. Citizens requests that this case be temporarily suspended in order for parties to have an opportunity to review the asset purchase application and its potential impact on the Company's gas rate application. Citizens further requests that a procedural conference be scheduled for mid-January 2003 to address the future procedural schedule for the gas rate case. Citizens claims that, despite the suspension request, it will continue to respond to data requests and UniSource will evaluate the rate case filing. According to Citizens, UniSource will state a position on the gas case in the joint mid-December filing. Citizens states that it encourages other parties to continue their analysis because it is anticipated that UniSource will adopt, in large part, the application and testimony previously filed by Citizens and, accordingly, that "the testimony filing dates in the November 8, 2002 Procedural Order will still need to be met."

1 On November 26, 2002, Staff filed a Response to Citizens' Motion. Staff agrees that the case
2 should be temporarily suspended given the expected asset sale application, but Staff disagrees with
3 the request that the current scheduling dates should remain in place. According to Staff, a request to
4 suspend the case means, by definition, that the current procedural schedule must be postponed. Staff
5 claims that it will need time to review the asset purchase application and determine what impact that
6 transaction may have on the existing gas rate application. Staff does not oppose the requested mid-
7 January procedural conference and believes all parties will be in a better position to discuss potential
8 scheduling impacts at that time.

9 On November 27, 2002, the Residential Utility Consumer Office filed a Response agreeing
10 with Staff's position.

11 Citizens' request to suspend this proceeding is well made and shall be granted in order to
12 afford parties the opportunity to review the anticipated joint asset purchase application. A procedural
13 conference will be scheduled for January 13, 2003 to discuss any necessary modifications to the
14 current procedural schedule. However, it is premature, at this point, to determine whether the current
15 procedural schedule should remain intact. As Staff points out, the parties will be in a better position
16 to discuss the procedural schedule after having a chance to assess the impact of the asset purchase on
17 this gas rate case. In accordance with the Company's Motion to Suspend this case, the procedural
18 time clock in this case shall also be suspended until further Order of the Commission. During this
19 suspension, the parties should continue to review the application and conduct discovery.

20 IT IS THEREFORE ORDERED that Citizens' Motion to Suspend is granted to the extent
21 described above.

22 IT IS FURTHER ORDERED that a procedural conference shall be scheduled for January 15,
23 2003, at 10:00 a.m., at the offices of the Commission.

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1 IT IS FURTHER ORDERED that the procedural time clock in this matter is hereby
2 suspended until further Order of the Commission.

3 DATED this 3rd day of December, 2002.

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5 

6 DWIGHT D. NODES
7 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

8
9 Copies of the foregoing mailed
10 this 3rd day of December, 2002 to:

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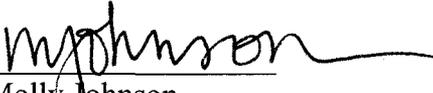
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