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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

DOCKETED

JUL 20 2006

COMMISSIONERS

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

2006 JUL 20 A 10: 38
AZ CORP COMMISSION
DOCUMENT CONTROL

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF AVRA WATER CO-OP, INC. FOR A RATE INCREASE.

DOCKET NO. W-02126A-06-0234

PROCEDURAL ORDER

BY THE COMMISSION:

On April 7, 2006, Avra Water Co-op, Inc. ("Avra" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase.

On May 8, 2006, and June 16, 2006, Commission Utilities Division Staff ("Staff") notified the Company that its application was not sufficient under the requirements outlined in A.A.C. R14-2-103.

Avra filed supplemental material on June 1, 2006 and June 27, 2006.

On July 7, 2006, Staff notified the Company that its application was sufficient under Commission rules, and classified the Company as a Class B 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 March 15, 2007, at 10:00 a.m., or as soon thereafter as is practical, at the Commission's offices, Room 222, 400 West Congress, Tucson, Arizona 85701.

IT IS FURTHER ORDERED that a pre-hearing conference shall be held on March 12, 2007, at 10:00 a.m. at the Commission's Tucson offices, Room 218, for the purpose of scheduling witnesses and the conduct of the hearing.¹

¹ Parties may request to appear telephonically at the pre-hearing conference.

1 IT IS FURTHER ORDERED that the **Staff Report** and/or any testimony and associated
2 exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before
3 **January 3, 2007.**

4 IT IS FURTHER ORDERED that any **testimony** and associated exhibits to be presented at
5 hearing on behalf of intervenors shall be reduced to writing and filed on or before **January 3, 2007.**

6 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be
7 presented at hearing by the Company shall be reduced to writing and filed on or before **January 31,**
8 **2007.**

9 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be
10 presented by the Staff or intervenors shall be reduced to writing and filed on or before **February 21,**
11 **2007.**

12 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits** to be
13 presented at hearing by the Company shall be reduced to writing and filed on or before **March 7,**
14 **2007.**

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

17 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have
18 been prefiled as of March 7, 2007, shall be made before or at the **March 12, 2007** pre-hearing
19 conference.

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

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

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

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

3 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
4 except that all motions to intervene must be filed on or before January 3, 2007.

5 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
6 regulations of the Commission, except that: until January 31, 2007, any objection to discovery
7 requests shall be made within 7 days² of receipt and responses to discovery requests shall be made
8 within 10 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and
9 responses shall be made in 7 days¹; the response time may be extended by mutual agreement of the
10 parties involved if the request requires an extensive compilation effort.

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

27 ² "Days" means calendar days.

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

PUBLIC NOTICE OF HEARING ON THE
RATE APPLICATION OF
AVRA WATER CO-OP, INC.
DOCKET NO. W-02126A-06-0234

On April 7, 2006, Avra Water Co-op, Inc. ("Avra" or "Company") filed an application with the Arizona Corporation Commission for an approximate 24.43 percent increase in revenue (\$328,205). Under the Company's proposal the typical residential customer, using an average of 9,825 gallons per month, would experience a monthly increase of \$10.21, or 25.59 percent.

The Commission's Utilities Division Staff has not yet made a recommendation regarding the Company's rate increase proposal, and the Commission will determine the appropriate rate relief to be granted based on the evidence of record in this proceeding. The Commission is not bound by the proposals made by the Company, Staff, or any intervenors and, therefore, the final rates approved in this docket may be lower or higher than the rates described above. Copies of the application and proposed tariffs are available at the Company's offices [INSERT ADDRESS] and on the internet via the Commission website (www.azcc.gov) using the e-docket function.

The Commission will hold a **hearing** on this matter beginning **March 15, 2007, at 10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress, Tucson, Arizona. Public comments will be taken on the first day of the hearing.

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 **January 3, 2007**. The motion to intervene must be sent to the Company or its 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.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer of the Company, a shareholder of the Company, etc.).
3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

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

If you have any substantive questions about this application for an increase in water and wastewater rates, you may contact the Company at: [COMPANY

SHOULD INSERT NAME, ADDRESS, TELEPHONE NUMBER, AND E-MAIL ADDRESS FOR CUSTOMER CONTACTS CONCERNING THE APPLICATION].

If you wish to file written comments regarding the application, or want further information on intervention, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007, or call 1-800-222-7000.

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

IT IS FURTHER ORDERED that the Company shall mail to each of its customers a copy of the above notice by September 15, 2006.

IT IS FURTHER ORDERED that the Company 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.

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

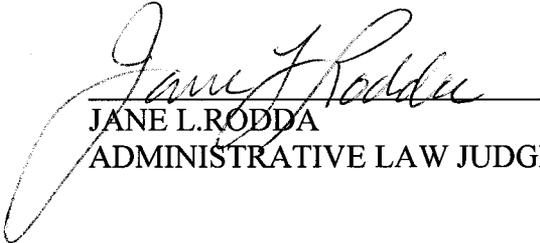
IT IS FURTHER ORDERED that all parties must comply with Rule 33 (c) and (d) of the Rules of the Arizona Supreme Court with respect to practice of law and admission pro hac vice.

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

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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
4 DATED this 17th day of July, 2006.

5 
6 JANE L. RODDA
7 ADMINISTRATIVE LAW JUDGE

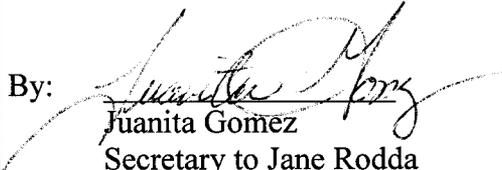
8 Copies of the foregoing mailed
9 this 17th day of July, 2006 to:

10 Mr. Richard Sallquist
11 Sallquist, Drummond & O'Connor, PC
12 4500 South Lakeshore Drive, Suite 339
13 Tempe, Arizona 85282
14 Attorneys for Applicant

15 Christopher Kempley, Chief Counsel
16 LEGAL DIVISION
17 Arizona Corporation Commission
18 1200 W. Washington Street
19 Phoenix, Arizona 85007

20 Ernest Johnson, Director
21 Utilities Division
22 Arizona Corporation Commission
23 1200 W. Washington Street
24 Phoenix, Arizona 85007

25 Arizona Reporting Service, Inc.
26 2627 N. Third Street, Suite Three
27 Phoenix, Arizona 85004-1103

28 By: 
Juanita Gomez
Secretary to Jane Rodda