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BEFORE THE ARIZONA CORPORATION COMMISSION

25H

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

2007 FEB -1 P 1: 32

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
GARY PIERCE

FEB -1 2007

AZ CORP COMMISSION  
DOCUMENT CONTROL

DOCKETED BY	nr
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IN THE MATTER OF THE APPLICATION OF  
UNS ELECTRIC, INC. FOR THE  
ESTABLISHMENT OF JUST AND REASONABLE  
RATES AND CHARGES DESIGNED TO  
REALIZE A REASONABLE RATE OF RETURN  
ON THE FAIR VALUE OF THE PROPERTIES OF  
UNS ELECTRIC, INC. DEVOTED TO ITS  
OPERATIONS THROUGHOUT THE STATE OF  
ARIZONA AND REQUEST FOR APPROVAL OF  
RELATED FINANCING.

DOCKET NO. E-04204A-06-0783

RATE CASE  
PROCEDURAL ORDER

**BY THE COMMISSION:**

On December 15, 2006, UNS Electric, Inc. ("UNSE" or "Company") filed with the Arizona Corporation Commission ("Commission") the above-captioned application requesting an increase in rates and approval of financing.

On January 11, 2007, UNSE filed a supplement to its application.

On January 12, 2007, the Commission's Utilities Division Staff ("Staff") filed a letter stating that the application, as supplemented by the additional information filed on January 11, 2007, had met the sufficiency requirements outlined in A.A.C. R14-2-103, and classifying the company as a Class A utility.

On January 24, 2007, Staff filed a Request for Procedural Order, in which it requested a hearing date of September 10, 2007, and associated procedural deadlines.

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 10, 2007, 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 6,**

1 2007, at 2:00 p.m., at the Commission's Phoenix offices, for the purpose of scheduling witnesses  
2 and the conduct of the hearing.

3 IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at  
4 hearing on behalf of Staff and intervenors on all issues except for rate design shall be reduced to  
5 writing and filed on or before **June 28, 2007**, and on rate design issues on or before **July 12, 2007**.

6 IT IS FURTHER ORDERED that rebuttal testimony and associated exhibits to be presented  
7 at hearing by the Company shall be reduced to writing and filed on or before **August 14, 2007**.

8 IT IS FURTHER ORDERED that surrebuttal testimony and associated exhibits to be  
9 presented by the Staff or intervenors shall be reduced to writing and filed on or before **August 24,**  
10 **2007**.

11 IT IS FURTHER ORDERED that rejoinder testimony and associated exhibits to be presented  
12 at the hearing on behalf of the Company shall be reduced to writing and filed on or before **August 31,**  
13 **2007**.

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

16 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have  
17 been prefiled as of August 31, 2007, shall be made before or at the **September 6, 2007** pre-hearing  
18 conference.

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

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

24 IT IS FURTHER ORDERED that the parties shall prepare a brief, written summary of the  
25 pre-filed testimony of each of their witnesses and shall file each summary at least two working days  
26 before the witness is scheduled to testify.  
27  
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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 **June 1, 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 August 15, 2007, any objection to discovery requests  
7 shall be made within 7 days<sup>1</sup> of receipt and responses to discovery requests shall be made within 10  
8 days of receipt; thereafter objections to discovery requests shall be made within 5 days and responses  
9 shall be made within 7 days of receipt. The response time may be extended by mutual agreement of  
10 the parties involved if the request requires an extensive compilation effort. No discovery requests  
11 shall be served after August 31, 2007.

12 IT IS FURTHER ORDERED that discovery requests, objections, and answers may be served  
13 electronically.<sup>2</sup>

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

21 IT IS FURTHER ORDERED that any motions which are filed in this matter and which are  
22 not ruled upon by the Commission within 20 days of the filing date of the motion shall be deemed  
23 denied.  
24  
25

26 <sup>1</sup> "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 <sup>2</sup> If requested by the receiving party, and the sending party has the technical capability, service electronically is  
mandatory.

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

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

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

5 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in  
6 this matter, in the following form and style, with the heading in no less than 24 point bold type and  
7 the body in no less than 10 point regular type:

8  
9 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF UNS ELECTRIC, INC. FOR**  
10 **AN INCREASE IN RATES AND FINANCING APPROVAL**  
11 **DOCKET NUMBER E-04204A-06-0783**

12 On December 15, 2006, UNS Electric, Inc. ("Company") filed an application with the  
13 Arizona Corporation Commission for an increase in revenues of approximately 5.43  
14 percent (\$8,507,097). The actual percentage rate increase for individual customers  
15 will vary depending upon the type and quantity of service provided. The Company is  
16 also requesting authority to issue up to \$40 million of new debt securities, and to  
17 receive up to \$40 million of additional equity contributions from its parent company  
18 over and above any contributions that could otherwise be made under Commission  
19 rules and orders. The Commission's Utilities Division Staff has not yet made a  
20 recommendation regarding the Company's rate increase and financing proposals, and  
21 the Commission will determine the appropriate relief to be granted based on the  
22 evidence of record in this proceeding. The Commission is not bound by the proposals  
23 made by the Company, Staff, or any intervenors and therefore, the final rates approved  
24 in this docket may be lower or higher than the rates requested by the Company.  
25 Copies of the application and proposed tariffs are available at the Company's offices  
26 [insert address] and the Commission's offices at 1200 West Washington, Phoenix,  
27 Arizona, for public inspection during regular business hours and on the internet via the  
28 Commission website ([www.azcc.gov](http://www.azcc.gov)) using the e-docket function.

The Commission will hold a hearing on this matter beginning **September 10, 2007 at 10:00 a.m.** at the Commission's offices, 1200 West Washington, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted via email (visit <http://www.azcc.gov/utility/cons/index.htm> for instructions), or by mailing a letter referencing Docket Number E-04204A-06-0783 to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you would like to intervene, you must file a written motion to intervene with the Commission, and you must send copies of the motion to the Company or its counsel, and to all parties

1 of record in the case. Your motion to intervene must contain the following:

- 2 1. Your name, address, and telephone number, and the name, address, and  
3 telephone number of any party upon whom documents are to be served in  
4 your place, if desired.
- 5 2. A short statement of your interest in the proceeding (e.g., a customer of  
6 the Company, a shareholder of the Company, etc.).
- 7 3. A statement certifying that a copy of your motion to intervene has been  
8 mailed to the Company or its counsel and to all parties of record in the  
9 case.

10 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except  
11 that all motions to intervene must be filed on or before June 1, 2007. The granting of  
12 intervention, among other things, entitles a party to present sworn evidence at hearing  
13 and to cross-examine other witnesses. However, failure to intervene will not preclude  
14 any customer from appearing at the hearing and making a statement on such  
15 customer's own behalf.

16 If you have any questions about this application, you may contact the Company at [insert  
17 **telephone number**]. If you wish to file written comments on the application or want  
18 further information on intervention you may contact the Consumer Services Section of  
19 the Commission at 1200 W. Washington St., Phoenix, AZ 85007, or call 1-800-222-  
20 7000.

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

27 IT IS FURTHER ORDERED that UNS Electric Inc. shall mail to each of its customers a copy  
28 of the above notice either as a bill insert beginning with **the first billing cycle in March, 2007, or by  
special mailing concluding no later than March 15, 2007**, and shall cause the above notice to be  
published at least twice in a newspaper of general circulation in all its service territories, with  
publication to be completed no later than **March 15, 2007**.

IT IS FURTHER ORDERED that UNS Electric, Inc. shall file certification of  
mailing/publication as soon as practicable after the mailing/publication has been completed.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing/publication  
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.

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

3 IT IS FURTHER ORDERED that all parties must comply with Rule 33(c) and 38(a) of the  
4 Rules of the Arizona Supreme Court with respect to practice of law and admission *pro hac vice*.

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

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

13  
14 Dated this 1st day of February 2007.

15  
16   
17 TEENA WOLFE  
18 ADMINISTRATIVE LAW JUDGE

19 Copies of the foregoing mailed/delivered  
20 this 1st day of February, 2007 to

21 Michael W. Patten  
22 ROSHKA, DeWULF & PATTEN  
23 One Arizona Center  
24 400 East Van Curen Street, Ste. 800  
25 Phoenix, AZ 85004

26 Michelle Livengood  
27 UniSource Energy Srevices  
28 One South Church Street, Ste. 200  
Tucson, AZ 85702

1 Christopher Kempley, Chief Counsel  
Maureen Scott, Senior Staff Counsel  
2 Kevin Torrey, Attorney  
Legal Division  
3 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
4 Phoenix, AZ 85007

5 Ernest G. Johnson, Director  
Utilities Division  
6 ARIZONA CORPORATION COMMISSION  
1200 West Washington  
7 Phoenix, AZ 85007

8 ARIZONA REPORTING SERVICE, INC.  
2627 N. Third Street, Ste. Three  
9 Phoenix, Arizona 85004-1104

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By:   
Diane Rodriguez  
Secretary to Teena Wolfe