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BEFORE THE ARIZONA CORPORATION COMMISSION

25th

COMMISSIONERS

DOCKETED

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

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FEB 14 2007

AZ CORP COMMISSION  
DOCUMENT CONTROL

DOCKETED BY [Signature]

IN THE MATTER OF THE THE APPLICATION  
OF LITCHFIELD PARK SERVICE COMPANY  
FOR APPROVAL OF AN ACCOUNTING ORDER  
AUTHORIZING THE DEFERRAL OF COSTS  
ASSOCIATED WITH EFFORTS TO ADDRESS  
THE POTENTIAL CONTAMINATION OF  
WATER SUPPLY LOCATED IN MARICOPA  
COUNTY, ARIZONA

DOCKET NO. W-01427A-06-0807

PROCEDURAL ORDER

BY THE COMMISSION:

On December 28, 2006, Litchfield Park Service Company ("LPSCO" or "Company") filed with the Arizona Corporation Commission ("Commission") an application requesting approval of an accounting order authorizing deferral of costs associated with efforts to address the potential contamination of its water supply due to the proximity a federally designated superfund site.

On January 25, 2007, the Commission's Utilities Division ("Staff") filed a Request for Procedural Order. Staff seeks a procedural order scheduling this matter for hearing due to the "complex issues" involved, including the impact on the Company from the federal superfund site designation and the potential for continuing litigation against the responsible party and LPSCO.

On January 31, 2007, LPSCO filed a Response to Request for Procedural Order. LPSCO states that Staff's assertion that "complex issues" are raised by this application is overstated because all the Company is seeking by the application is an accounting order that would permit LPSCO to defer costs for future rate recovery consideration. LPSCO claims that it has already informed its customers of the superfund designation and additional monitoring being undertaken by the Company. LPSCO requests that if Staff's request for a hearing is granted, the hearing should be scheduled on an expedited basis and the public notice should be in a form such as that set forth in an attachment to the Company's Response.

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1 By Procedural Order issued on February 7, 2007, a hearing was scheduled for March 30,  
2 2007, and other procedural deadlines were established.

3 On February 8, 2007, LPSCO filed a Request for Scheduling Change.

4 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall be  
5 rescheduled to commence on **April 5, 2007, at 9:30 a.m.**, or as soon thereafter as is practical, at the  
6 Commission's offices, 1200 West Washington Street, Arizona 85007.

7 IT IS FURTHER ORDERED that **direct testimony and associated exhibits to be presented**  
8 **at hearing by the Company shall be filed by March 15, 2007.**

9 IT IS FURTHER ORDERED that **responsive testimony by Staff and intervenors shall be**  
10 **filed by March 30, 2007.**

11 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-  
12 105, except that all motions to intervene must be filed on or before **March 12, 2007.**

13 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in  
14 this matter, in the following form and style:

15 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF LITCHFIELD PARK**  
16 **SERVICE COMPANY FOR AN ACCOUNTING ORDER**  
17 **DOCKET NUMBER W-01427A-06-0807**

18 On December 28, 2006, Litchfield Park Service Company ("LPSCO" or "Company")  
19 filed an application with the Arizona Corporation Commission ("Commission") for an  
20 accounting order authorizing the deferral of costs associated with efforts to address the  
21 potential contamination of portions of its water supply. LPSCO is not seeking an  
22 increase in its rates at this time, but is seeking approval from the Commission to defer  
23 costs for consideration in a future rate case. The Commission's Utilities Division Staff  
24 has not yet made a recommendation regarding the Company's application, and the  
25 Commission is not bound by the proposals made by the Company, Staff, or any  
26 intervenors. The Commission will issue a decision regarding LPSCO's application  
27 following consideration of testimony and evidence presented at an evidentiary hearing.  
28 Copies of the application are available at the Company's offices [insert address] 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](http://www.azcc.gov)) using the e-docket function.

The Commission will hold a **hearing on this matter beginning April 5, 2007, at 9:30  
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

1 instructions), or by mailing a letter referencing Docket Number E-04204A-06-0783 to:  
2 Arizona Corporation Commission, Consumer Services Section, 1200 West  
3 Washington, Phoenix, AZ 85007.

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

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

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

25 If you have any questions about this application, you may contact the Company at  
26 [**insert telephone number**]. If you wish to file written comments on the application  
27 or want further information on intervention you may contact the Consumer Services  
28 Section of the Commission at 1200 W. Washington St., Phoenix, AZ 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, E-mail [Lhogan@azcc.gov](mailto: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 Litchfield Park Service Company shall cause the above  
notice to be published in a newspaper of general circulation in its service territory, with publication to  
be completed no later than **March 1, 2007**.

IT IS FURTHER ORDERED that Litchfield Park Service Company shall file certification of  
publication as soon as possible after the publication has been completed.

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

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

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

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

13 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,  
14 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at  
15 hearing.

16 Dated this 14<sup>th</sup> day of February 2007.

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18 \_\_\_\_\_  
19 DWIGHT D. NODES  
ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

20 Copies of the foregoing mailed/delivered  
21 this 14<sup>th</sup> day of February 2007 to:

22 Mr. Greg Sorensen  
23 Litchfield Park Service Company  
12725 W. Indian School Road, Suite D101  
Avondale, Arizona 85323

24 Jay L. Shapiro  
25 Fennemore Craig, P.C.  
3003 N. Central Ave., Suite 2600  
26 Phoenix, Arizona 85012

27

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1 Christopher Kempley, Chief Counsel  
Legal Division  
2 Arizona Corporation Commission  
1200 West Washington Street  
3 Phoenix, Arizona 85007

4 Ernest G. Johnson, Director  
Utilities Division  
5 Arizona Corporation Commission  
1200 West Washington  
6 Phoenix, Arizona 85007

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

9  
10 By:   
Diane Rodriguez  
11 Secretary to Dwight D. Nodes

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