

ORIGINAL



0000073670

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

2007 JUN -5 P 3:40

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

JUN -5 2007

DOCKETED BY	nr
-------------	----

W-013034-

DOCKET NO. ~~W-1303A~~-07-0209

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS SUN CITY WATER DISTRICT.

PROCEDURAL ORDER

BY THE COMMISSION:

On April 2, 2007, Arizona-American Water Company ("Arizona-American" or "Company") filed an application for a rate increase for its Sun City Water District.

On April 30, 2007, the Commission's Utilities Division Staff ("Staff") filed a letter stating that the application met the sufficiency requirements outlined in A.A.C. R14-2-103, and classifying the Company as a Class A utility.

On May 8, 2007, the Residential Utility Consumer Office ("RUCO") filed an Application to Intervene.

On May 15, 2007, the Sun City Taxpayers Association, Inc. ("SCTA") filed a Motion to Intervene.

No objection has been filed to RUCO's or SCTA's requests, and they should be granted intervention.

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 Residential Utility Consumer Office and the Sun City Taxpayers Association, Inc. are hereby granted intervention in this proceeding.

1 IT IS FURTHER ORDERED that the **hearing** in the above-captioned matter shall commence
2 on **January 7, 2008, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices,
3 1200 West Washington Street, Phoenix, Arizona 85007.

4 IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **January 3,**
5 **2008, at 2:00 p.m.**, at the Commission's Phoenix offices, for the purpose of scheduling witnesses
6 and the conduct of the hearing.

7 IT IS FURTHER ORDERED that the parties shall bring to the pre-hearing conference a
8 matrix listing issues remaining to be resolved with a brief description of the parties' positions on the
9 unresolved issues.

10 IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at
11 hearing on behalf of Staff and intervenors on all issues except for rate design shall be reduced to
12 writing and filed on or before **October 15, 2007**, and on rate design issues on or before **October 29,**
13 **2007.**

14 IT IS FURTHER ORDERED that rebuttal testimony and associated exhibits to be presented
15 at hearing by the Company shall be reduced to writing and filed on or before **November 30, 2007.**

16 IT IS FURTHER ORDERED that surrebuttal testimony and associated exhibits to be
17 presented by the Staff or intervenors shall be reduced to writing and filed on or before **December 14,**
18 **2007.**

19 IT IS FURTHER ORDERED that rejoinder testimony and associated exhibits to be presented
20 at hearing on behalf of the Company shall be reduced to writing and filed on or before **December 21,**
21 **2007.**

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

24 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have
25 been prefiled as of December 21, 2007, shall be made before or at the **January 3, 2008** pre-hearing
26 conference.
27
28

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

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

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

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

11 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
12 except that all motions to intervene must be filed on or before **October 1, 2007**.

13 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
14 regulations of the Commission, except that until December 3, 2007, any objection to discovery
15 requests shall be made within 7 days¹ of receipt and responses to discovery requests shall be made
16 within 10 days of receipt; thereafter objections to discovery requests shall be made within 5 days and
17 responses shall be made within 7 days of receipt. The response time may be extended by mutual
18 agreement of the parties involved if the request requires an extensive compilation effort. No
19 discovery requests shall be served after December 14, 2007.

20 IT IS FURTHER ORDERED that discovery requests, objections, and answers may be served
21 electronically.²

22 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
23 discovery, any party seeking resolution of a discovery dispute may telephonically contact the
24 Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery
25 dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and
26

27 ¹ "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.

28 ² If requested by the receiving party, and the sending party has the technical capability, service electronically is
mandatory.

1 that the party making such a request shall forthwith contact all other parties to advise them of the
2 hearing date and shall at the hearing provide a statement confirming that the other parties were
3 contacted.³

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

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

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

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

14 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF ARIZONA-**
15 **AMERICAN WATER COMPANY FOR A DETERMINATION OF THE**
16 **CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND**
17 **FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR**
UTILITY SERVICE BY ITS SUN CITY WATER DISTRICT
DOCKET NUMBER W-1303A-07-0209

18 On April 2, 2007, the Arizona-American Water Company (Company) filed an
19 application with the Arizona Corporation Commission for an increase in
20 revenues for its **Sun City Water District** of approximately 29.53 percent
21 (\$2,239,681). Under the Company's proposal, an average residential
22 customer's bill for water service, based on usage of 8,269 gallons per month,
23 would increase from the current rate of \$13.91 per month to \$18.04 per month
24 (approximately 29.70 percent). The actual percentage Company-proposed rate
25 increase for individual customers would vary depending upon the type and
26 quantity of service provided. Customers may contact the Company to inquire
27 about the effect of the Company's request on their individual bill. The
28 Commission's Utilities Division Staff is in the process of auditing and analyzing
the Company's records but has not yet made a recommendation regarding the
Company's rate increase proposals. The Residential Utility Consumer Office
and the Sun City Taxpayers Association, Inc. are also parties to this proceeding.
The Commission will determine the appropriate relief to be granted based on

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

1 the evidence of record in the proceeding. The Commission is not bound by the
2 proposals made by the Company, Staff, or any intervenors and therefore, the
3 final rates approved may differ from the rates requested by the Company.
4 Copies of the application and proposed tariffs are available at the Company's
5 offices [insert address] and the Commission's offices at 1200 West
6 Washington, Phoenix, Arizona, for public inspection during regular business
7 hours and on the internet via the Commission website (www.azcc.gov) using the
8 e-docket function.

9 The Commission will a hearing on this matter beginning **January 7, 2008** at the
10 Commission's offices, 1200 West Washington, Phoenix, Arizona. Public
11 comments will be taken on the first day of the hearing. Written public
12 comments may be submitted via email, or by mailing a letter referencing Docket
13 Number W-1303A-07-0209 to: Arizona Corporation Commission, Consumer
14 Services Section, 1200 West Washington, Phoenix, AZ 85007 (visit
15 http://www.azcc.gov/divisions/util/forms/public_comment.pdf for a form
16 and instructions). If you require assistance, you may contact the Consumer
17 Services Section of the Commission at 1-800-222-7000.

18 The law provides for an open public hearing at which, under appropriate
19 circumstances, interested parties may intervene. Any person or entity entitled
20 by law to intervene and having a direct and substantial interest in the matter will
21 be permitted to intervene. If you desire to intervene, you must file a written
22 motion to intervene with the Commission no later than **October 1, 2007**. You
23 must send a copy of the motion to intervene to the Company or its counsel and
24 to all parties of record. Your motion to intervene must contain the following:

- 25 1. Your name, address, and telephone number and the name, address and
26 telephone number of any party upon whom service of documents is to be made
27 if not yourself.
- 28 2. A short statement of your interest in the proceeding (e.g., a customer of the
Company, a shareholder of the Company, etc.).
3. A statement certifying that you have mailed a copy of the motion to
intervene 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.

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.

1 IT IS FURTHER ORDERED that Arizona-American Water Company shall mail to each of its
2 customers a copy of the above notice either as a bill insert beginning with **the first billing cycle in**
3 **September, 2007, or by special mailing concluding no later than September 15, 2007,** and shall
4 cause the above notice to be published at least once in a newspaper of general circulation in its Sun
5 City Water District service territory, with publication to be completed no later than **September 15,**
6 **2007.**

7 IT IS FURTHER ORDERED that Arizona-American Water Company shall file certification
8 of mailing/publication as soon as practicable after the mailing/publication has been completed.

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

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

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

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

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

23 ...

24 ...

25 ...

26 ...

27 ...

28

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 5th day of June, 2007.

4
5 
6 TEENA WOLFE
7 ADMINISTRATIVE LAW JUDGE

8 Copies of the foregoing mailed/delivered
9 this 5th day of June, 2007 to:

10 Paul M. Li, Esq.
11 ARIZONA-AMERICAN WATER COMPANY
12 19820 North Seventh Street, Suite 201
13 Phoenix, AZ 85024

14 Craig A. Marks, Esq.
15 CRAIG A. MARKS, PLC
16 3420 East Shea Blvd., Suite 200
17 Phoenix, AZ 85028


18 Scott Wakefield, Chief Counsel
19 RESIDENTIAL UTILITY CONSUMER OFFICE
20 1110 W. Washington Street, Suite 220
21 Phoenix, Arizona 85007

22 SUN CITY TAXPAYERS ASSOCIATION
23 12630 North 103rd Avenue, Suite 144
24 Sun City, AZ 85351-3476

25 Christopher Kempley, Chief Counsel
26 Legal Division
27 ARIZONA CORPORATION COMMISSION
28 1200 West Washington Street
Phoenix, Arizona 85007

Ernest Johnson, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

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

27 By: 
28 Debra Broyles
Secretary to Teena Wolfe