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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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JUN -7 2007

COMMISSIONERS

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KRISTIN K. MAYES
GARY PIERCE

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AZ CORP COMMISSION
DOCKET CONTROL

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IN THE MATTER OF THE APPLICATION OF GOLDEN SHORES WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR AUTHORITY TO ISSUE LONG-TERM DEBT IN THE AMOUNT OF \$286,200 AND RELATED APPROVALS IN CONNECTION WITH THE CONSTRUCTION OF WATER SYSTEM INFRASTRUCTURE IMPROVEMENTS.

DOCKET NO. W-01815A-06-0775

IN THE MATTER OF THE APPLICATION OF GOLDEN SHORES WATER COMPANY FOR APPROVAL OF DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES FOR UTILITY SERVICES BASED THEREON.

DOCKET NO. W-01815A-07-0117

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On December 12, 2006, Golden Shores Water Company, Inc. ("Company" or "Applicant") filed with the Arizona Corporation Commission ("Commission") an application for the approval of long-term debt.

On February 23, 2007, the Company filed with the Commission an application for an increase in its permanent and charges.

On March 26, 2007, the Commission's Utilities Division ("Staff") issued a notice of insufficiency in the rate proceeding pursuant to A.A.C. R14-3-103.

On April 27, 2007, Staff filed a Motion to Consolidate the above-captioned proceedings without objection.

On May 2, 2007, by Procedural Order, the above-captioned proceedings were consolidated pursuant to A.A.C. R14-3-109.

On May 11, 2007, Staff issued its second notice of insufficiency.

1 On May 30, 2007, Staff filed a letter indicating the Company's rate application was sufficient,
2 and classifying the Company as a Class C utility.

3 Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern
4 the preparation and conduct of this proceeding.

5 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
6 commence on **November 28, 2007 at 9:30 a.m.**, or as soon thereafter as is practical, at the
7 Commission's offices, 1200 West Washington Street, Phoenix, Arizona.

8 IT IS FURTHER ORDERED that the **Staff Report** and/or any direct testimony and
9 associated exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed
10 on or before **October 12, 2007**.

11 IT IS FURTHER ORDERED that any **direct testimony and associated exhibits** to be
12 presented at hearing on behalf of intervenors shall be reduced to writing and filed on or before
13 **October 12, 2007**.

14 IT IS FURTHER ORDERED that any **rebuttal testimony and associated exhibits** to be
15 presented at hearing by the Company shall be reduced to writing and filed on or before **October 26,**
16 **2007**.

17 IT IS FURTHER ORDERED that any **surrebuttal testimony and associated exhibits** to be
18 presented by the Staff and/or intervenors shall be reduced to writing and filed on or before
19 **November 2, 2007**.

20 IT IS FURTHER ORDERED that any rejoinder testimony and associated exhibits to be
21 presented at the hearing shall be presented orally at the hearing.

22 IT IS FURTHER ORDERED that any **objections to any testimony or exhibits** which have
23 been prefiled as of November 2, 2007, shall be made on or before **November 9, 2007**.

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

27 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
28

1 105, except that all motions to intervene must be filed on or before **July 31, 2007**.

2 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
3 regulations of the Commission, except that: any objection to discovery requests shall be made within
4 7 days¹ of receipt and responses to discovery requests shall be made within 10 days of receipt;
5 thereafter, objections to discovery requests shall be made within 5 days and responses shall be made
6 in 7 days; the response time may be extended by mutual agreement of the parties involved if the
7 request requires an extensive compilation effort; and no discovery requests shall be served after
8 October 12, 2007.

9 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
10 discovery, any party seeking discovery may telephonically contact the Commission's Hearing
11 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a
12 request, a procedural hearing will be convened as soon as practicable; and that the party making such
13 a request shall forthwith contact all other parties to advise them of the hearing date and shall at the
14 hearing provide a statement confirming that the other parties were contacted.²

15 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by
16 the Commission within 10 days of the filing date of the motion shall be deemed denied.

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

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

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

23
24 **PUBLIC NOTICE OF HEARING ON THE FINANCING AND RATE APPLICATIONS**
OF GOLDEN SHORES WATER COMPANY, INC.
25 **Docket No. W-01815A-06-0775 et al.**

26 On December 12, 2006 and February 23, 2007, Golden Shores Water Company, Inc.
27 (“Company”) filed two applications with the Arizona Corporation Commission for

27 ¹ “Days” means calendar days.

28 ² The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

1 financing approval and for an increase in its rates and charges, respectively. Copies of
2 the Company's applications and proposed tariffs are available at its office and the
3 Commission's offices for public inspection during regular business hours.

4 The Commission will hold a public hearing on this matter beginning **November 28,**
5 **2007** at 9:30 a.m. at the Commission's offices, 1200 West Washington Street,
6 Phoenix, Arizona. Public comments will be taken on the first day of the hearing.

7 The law provides for an open public hearing at which, under appropriate
8 circumstances, interested parties may intervene. Intervention shall be permitted to any
9 person entitled by law to intervene and having a direct and substantial interest in the
10 matter. Persons desiring to intervene must file a written motion to intervene with the
11 Commission no later than **July 31, 2007**. The motion to intervene must be sent to the
12 Company or its counsel and to all parties of record, and shall contain the following:

- 13 1. The name, address, and telephone number of the proposed intervenor
14 and of any party upon whom service of documents is to be made if
15 different from the intervenor.
- 16 2. A short statement of the proposed intervenor's interest in the
17 proceeding (e.g., a customer of the Company, a shareholder of the
18 Company, etc.).
- 19 3. A statement certifying that a copy of the motion to intervene has been
20 mailed to the Company or its counsel and to all parties of record in the
21 case.

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

28 If you have any questions about this application, or want further information on
intervention, you may contact the Consumer Services Section of the Commission at
1200 W. 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 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 provide notice as follows:

- by **mailing by July 5, 2007**, a copy of the above notice to each of its customers;
- by **publishing by July 5, 2007**, a copy of the above notice in a newspaper of general
circulation in the area; and
- by **posting and/or distributing by July 5, 2007**, copies of the above notice at the
standpipe.

1 IT IS FURTHER ORDERED that the Company shall file certification of the provision of
2 notice as soon as practicable after notice has been completed.

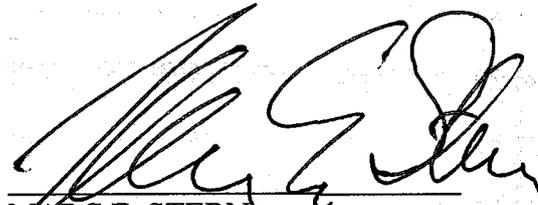
3 IT IS FURTHER ORDERED that notice shall be deemed complete upon
4 mailing/publishing/posting/distributing of same, notwithstanding the failure of an individual
5 customer to read or receive the notice.

6 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
7 Communications) applies to this proceeding and shall remain in effect until the Commission's
8 Decision in this matter is final and non-appealable.

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

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

14 DATED this 7th day of June, 2007.


MARC E. STERN
ADMINISTRATIVE LAW JUDGE

19 Copies of the foregoing mailed
20 this 7th day of June, 2007 to:

21 Norman D. James
22 Patrick J. Black
23 FENNEMORE CRAIG, PC
24 3003 North Central Avenue, Suite 2600
25 Phoenix, AZ 85007
26 Attorneys for Golden Shores Water Company

27 Christopher Kempley, Chief Counsel
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2627 North Third Street, Suite Three
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By: 
Debra Broyles
Secretary to Marc E. Stern