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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

Arizona Corporation Commission

DOCKETED 2007 NOV 30 A 11:10

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

NOV 30 2007

AZ CORP COMMISSION
DOCKET CONTROL

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IN THE MATTER OF THE APPLICATION OF
 CHAPARRAL CITY WATER COMPANY, INC.,
 AN ARIZONA CORPORATION, FOR A
 DETERMINATION OF THE FAIR VALUE OF ITS
 UTILITY PLANT AND PROPERTY AND FOR
 INCREASES IN ITS RATES AND CHARGES FOR
 UTILITY SERVICE BASED THEREON.

DOCKET NO. W-02113A-07-0551

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On September 26, 2007, Chaparral City Water Company, Inc. ("CCWC," "Company," or "Applicant") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase.

On October 26, 2007, the Utilities Division Staff ("Staff") of the Commission filed a letter stating that the application was found sufficient and classifying the Applicant as a Class A utility.

On November 19, 2007, the Residential Utility Consumer Office ("RUCO") filed an Application to Intervene.

No objection to RUCO's Application to Intervene has been filed. Accordingly, the Application should be granted.

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 **July 8, 2008, 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 **July 2, 2008 at 2:30 p.m.**, at the Commission's Phoenix offices, for the purpose of scheduling witnesses and the

1 conduct of the hearing.

2 IT IS FURTHER ORDERED that the **Staff Report and/or any testimony** and associated
3 exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before
4 **April 23, 2008.**

5 IT IS FURTHER ORDERED that any **testimony and associated exhibits to be presented at**
6 **hearing on behalf of intervenors** shall be reduced to writing and filed on or before **April 23, 2008.**

7 IT IS FURTHER ORDERED that any **rebuttal testimony and associated exhibits to be**
8 **presented at hearing by CCWC** shall be reduced to writing and filed on or before **noon on May 23,**
9 **2008.**

10 IT IS FURTHER ORDERED that any **surrebuttal testimony and associated exhibits to be**
11 **presented by the Staff or intervenors** shall be reduced to writing and filed on or before **noon on**
12 **June 13, 2008.**

13 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits to be**
14 **presented at the hearing on behalf of CCWC** shall be reduced to writing and filed on or before
15 **noon on June 27, 2008.**

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

18 IT IS FURTHER ORDERED that any **objections to testimony or exhibits that have been**
19 **prefiled as of July 2, 2008, shall be made before or at the July 2, 2008, pre-hearing conference.**
20 **In addition, each of the parties shall individually prepare, and bring to the pre-hearing**
21 **conference, copies of a matrix setting forth what each party believes are the remaining disputed**
22 **issues and what issues have been resolved.**

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

25 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
26 pre-filed testimony shall be reduced to writing and filed no later than five days before the witness is
27 scheduled to testify.
28

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

4 IT IS FURTHER ORDERED that copies of summaries should be served upon the
5 Administrative Law Judge, the Commissioners, and the Commissioners' aides as well as the parties
6 of record.

7 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
8 except that **all motions to intervene must be filed on or before April 11, 2008.**

9 IT IS FURTHER ORDERED that RUCO's Application to Intervene shall be granted.

10 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
11 regulations of the Commission, except that: until May 23, 2008, any objection to discovery requests
12 shall be made within 7 calendar days of receipt¹ and responses to discovery requests shall be made
13 within 10 days of receipt; thereafter, objections to discovery requests shall be made within 5 calendar
14 days and responses shall be made within 7 calendar days. The response time may be extended by
15 mutual agreement of the parties involved if the request requires an extensive compilation effort.

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

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

25
26 ¹ 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 ² If requested by the receiving party, and the sending party has the technical capability, service electronically is mandatory.

28 ³ 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 motions which are filed in this matter and which are
2 not ruled upon by the Commission within 20 calendar days of the filing date of the motion shall be
3 deemed denied.

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

6 IT IS FURTHER ORDERED that any replies shall be filed within five calendar days of the
7 filing date of the response.

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

11 **PUBLIC NOTICE OF HEARING ON THE APPLICATION FOR RATE INCREASE**
12 **OF CHAPARRAL CITY WATER COMPANY, INC.**
13 **DOCKET NUMBER W-02113A-07-0551**

14 **Summary of Chaparral City Water Company's Application**

15 On September 26, 2007, Chaparral City Water Company, Inc. ("Company") filed an
16 application with the Arizona Corporation Commission for a permanent revenue
17 increase of approximately \$3.06 million, or 41.14 percent over current revenues. For
18 average water usage residential customers, the Company's application requests an
19 increase in monthly rates from the current average bill of \$32.28 to \$44.17. If the
20 Company's proposal were to be adopted, average usage residential customers would
21 experience an increase of 36.45 percent. The actual percentage rate increase for
22 individual customers would vary depending upon the type and quantity of service
23 provided. You may contact the Company to determine what the effect of the
24 Company's proposal may be on your individual bill.

19 The Commission's Utilities Division Staff ("Staff") is in the process of auditing and
20 analyzing the Company's application and Staff has not yet made any
21 recommendations regarding the Company's proposed rate increase. The Residential
22 Utility Consumer Office is a party to this proceeding and will also analyze the
23 application and make recommendations to the Commission. The Commission will
24 determine the appropriate rate adjustment to be granted based on its consideration of
the evidence presented by the parties. However, the Commission is not bound by the
proposals made by the Company, Staff, or any intervenors and, therefore, the final
rates approved by the Commission may be higher or lower than the rates proposed by
the Company.

25 **How You Can View or Obtain a Copy of the Rate Proposal**

26 Copies of the Company's application and proposed tariffs are available upon request
27 by contacting the Company at [COMPANY SHOULD INSERT NAME,
28 ADDRESS, TELEPHONE NUMBER, AND E-MAIL ADDRESS FOR
CUSTOMER CONTACTS REGARDING THE APPLICATION]. Copies of the
application are also available at 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) using the e-docket function.

1 **Arizona Corporation Commission Public Hearing Information**

2 The Commission will hold a hearing on this matter beginning **July 8, 2008 at 10:00**
 3 **a.m.** at the Commission's offices, 1200 West Washington, Phoenix, Arizona. Public
 4 comments will be taken on the first day of the hearing. Written public comments may
 5 be submitted via email (visit <http://www.azcc.gov/utility/cons/index.htm> for
 6 instructions), or by mailing a letter referencing Docket Number W-02113A-07-0551 to:
 7 Arizona Corporation Commission, Consumer Services Section, 1200 West
 8 Washington, Phoenix, AZ 85007.

9 **Information Regarding Intervenor Status**

10 The law provides for an open public hearing at which, under appropriate
 11 circumstances, interested parties may intervene. Intervention shall be permitted to any
 12 person entitled by law to intervene and having a direct and substantial interest in the
 13 matter. If you wish to intervene, you must file a written motion to intervene with the
 14 Commission, and send a copy of the motion to the Company or its counsel and to all
 15 parties of record. At the minimum, a motion to intervene shall contain the following:

- 16 1. Your name, address, and telephone number, and the name, address, and
 17 telephone number of any party upon whom service of documents is to
 18 be made if different than the intervenor.
- 19 2. A short statement of your interest in the proceeding (e.g., a customer,
 20 stockholder of the Company, etc.).
- 21 3. A statement certifying that you have mailed a copy of the motion to
 22 intervene has been mailed to the Company or its counsel and to all
 23 parties of record in the case.

24 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
 25 that all motions to intervene must be filed on or before April 11, 2008. If
 26 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
 27 Court, intervention will be conditioned upon the intervenor obtaining counsel to
 28 represent the intervenor. For information about requesting intervention, visit the
 29 Arizona Corporation Commission's webpage at
 30 <http://www.azcc.gov/utility/forms/index.htm>. The granting of intervention, among
 31 other things, entitles a party to present sworn evidence at hearing and to cross-examine
 32 other witnesses. However, failure to intervene will not preclude any customer from
 33 appearing at the hearing and making a statement on such customer's own behalf.

34 **ADA/Equal Access Information**

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

41 IT IS FURTHER ORDERED that CCWC shall mail to each of its customers a copy of the
 42 above notice either as a bill insert beginning with the first billing cycle in **January 2008**, or by
 43 special mailing concluding no later than **January 31, 2008**, and shall cause the above notice to be
 44 sent to each customer.

1 published at least twice in a newspaper of general circulation in all its service territories, with
2 publication to be completed no later than **January 31, 2008**.

3 IT IS FURTHER ORDERED that CCWC shall file certification of mailing/publication as
4 soon as practicable after the mailing/publication has been completed.

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

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

9 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
10 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*
11 *hac vice*.

12 IT IS FURTHER ORDERED that the intervention granted herein is conditioned upon the
13 intervenor obtaining counsel to represent the intervenor, if required by Rule 31 of the Rules of the
14 Arizona Supreme Court, and such counsel filing a notice of appearance with the Commission, within
15 30 days of the date of this Procedural Order. This condition will also apply to any persons or entities
16 that are subsequently granted intervention.

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 appearances at all
20 hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled
21 for discussion, unless counsel has previously been granted permission to withdraw by the
22 Administrative Law Judge or the Commission.

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

26 ...
27 ...
28 ...

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

4 Dated this 30th day of November, 2007.

5
6 
7 TEENA WOLFE
ADMINISTRATIVE LAW JUDGE

8
9 Copies of the foregoing mailed/delivered
10 This 30th day of November, 2007, to:

11 Norman D. James
12 Jay L. Shapiro
13 FENNEMORE CRAIG
3003 North Central Avenue, Suite 2600
Phoenix, AZ 85012

14 Scott S. Wakefield, Chief Counsel
15 Residential Utility Consumer Office
1110 West Washington, Suite 220
16 Phoenix, AZ 85007

17 Christopher Kempley, Chief Counsel
18 Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
19 Phoenix, AZ 85007

20 Ernest G. Johnson, Director
21 Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
22 Phoenix, AZ 85007

23 ARIZONA REPORTING SERVICE INC.
2200 N. Central Ave., Suite 502
24 Phoenix, AZ 85004

25
26 By: 
27 Debra Broyles
28 Secretary to Teena Wolfe