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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF SONOITA VALLEY WATER COMPANY FOR AN EMERGENCY RATE INCREASE.

DOCKET NO. W-20435A-07-0649

PROCEDURAL ORDER

BY THE COMMISSION:

On November 14, 2007, Sonoita Valley Water Company ("SVWC" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for emergency rate relief.

By Procedural Order dated November 24, 2007, the Hearing Division scheduled a Procedural Conference to commence on December 11, 2007, for the purpose of discussing a schedule and the procedures to govern the conduct of the proceeding. The Procedural Conference convened as scheduled, with the Company and Staff participating.

Pursuant to A.A.C. R14-3-101, the Commission makes the following orders governing the preparation and conduct of this matter.

IT IS THEREFORE ORDERED that a **hearing** to determine if an emergency exists pursuant to Attorney General Opinion No. 71-17 and if an emergency increase should be granted, shall commence on **January 14, 2008, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices, **Room 222**, 400 West Congress Street, Tucson, Arizona 85701.

IT IS FURTHER ORDERED that the **Staff Report** and/or any testimony and associated exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before **noon on January 7, 2008.**

IT IS FURTHER ORDERED that SVWC shall file its **Response** to the Staff Report or Staff testimony by noon on **January 11, 2008**, however, failure to file a written response will not preclude the Company from presenting its response verbally at the hearing.

1 IT IS FURTHER ORDERED that SVWC shall mail a copy of the notice as set forth herein
2 to all of its customers on or before December 31, 2007.

3
4 **PUBLIC NOTICE OF THE HEARING ON**
5 **SONOITA VALLEY WATER COMPANY REQUEST FOR AN**
6 **EMERGENCY RATE INCREASE**
7 **DOCKET NO. W-20435A-07-0649**

8 Sonoita Valley Water Company ("Company") has requested the Arizona Corporation
9 Commission ("Commission") to determine if an emergency rate increase should be
10 granted. Sonoita Valley Water Company is seeking additional annual revenues of
11 \$26,562 to recover an operating deficit, and allow the Company to meet maintenance and
12 repair needs. The company has proposed increasing rates for a 5/8 inch meter to a \$24
13 per month minimum plus \$4.75 per 1,000 gallons of water used. Currently, customers on
14 the Sonoita Valley Water system are charged a \$16 per month minimum plus \$4.00 per
15 1,000 gallons of water used. Customers on the former Southern Water Company system
16 are charged a \$15.00 monthly minimum, and a usage charge of \$2.84 per 1,000 gallons.
17 A 5/8 inch meter customer on the Sonoita Valley system, using an average of 5,400
18 gallons per month would see an increase of \$3.05, from \$37.60 to \$40.65 under the
19 Company's proposed emergency interim rates. Customers with 5/8 inch meters on the
20 former Southern Water Company system, with an average usage of 5,400 gallons would
21 see a monthly increase of \$10.31, from \$30.34 to \$40.65 under the Company's proposal.
22 The monthly bills for individual customers will vary depending on meter size and
23 monthly usage.

24 Commission Staff has not yet made a recommendation on the requested emergency
25 request. The Commission will make a determination of whether an emergency exists and
26 may approve an interim rate either higher or lower than that requested based on the
27 evidence presented at hearing.

28 The **public hearing** will begin at the Commission's offices at **400 West Congress
Street, Room 222, Tucson, Arizona on January 14, 2008 at 10:00 a.m.** customers can
attend the hearing and make public comment, or file written comments with the
commission. The granting of motions to intervene shall be governed by A.A.C. R14-3-
105, except that all motions to intervene must be filed on or before January 10, 2008. If
representation by counsel is required by Rule 31 of the rules of the Arizona Supreme
Court, intervention will be conditioned upon the intervenor obtaining counsel to represent
the intervenor. For information about requesting intervention, visit the Commission's
webpage at <http://www.azcc.gov/utility/forms/index.htm>. The granting of intervention,
among other things, entitles a party to present sworn evidence at hearing and to cross-
examine other witnesses. However, frailer to intervene will not preclude any customer
from appearing at the hearing and making a statement on such customer's own behalf. If
you desire more information, contact the Commission's consumer services section at 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
sign language interpreter, as well as request this document in an alternative format, by
contacting Linda Hogan, ADA Coordinator, voice phone number 602-542-3931, E-mail
lhogan@azcc.gov. Requests should be made as early as possible to allow time to
arrange the accommodation.

1
2 IT IS FURTHER ORDERED that the Company shall file with the Commission's Docket
3 Control no later than January 7, 2008, certification that the public notice was mailed in
4 accordance with this Procedural Order.

5 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
6 except that all motions to intervene must be filed on or before January 10, 2008.

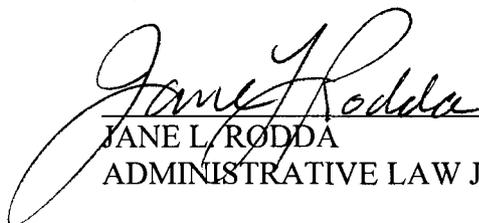
7 IT IS FURTHER ORDERED that notice in accordance with this Procedural Order shall be
8 deemed complete upon mailing, notwithstanding the failure of an individual customer to read or
9 receive the notice.

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

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

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

17 DATED this 12th day of December, 2007.

18
19 
20 JANE L. RODDA
21 ADMINISTRATIVE LAW JUDGE

22 Copies of the foregoing mailed
23 this 12th day of December, 2007 to:

24 E.H. Lewis
25 Sonoita Valley Water Company
26 PO Box 85160
27 Tucson, Arizona 85754

28 Bonnie L. O'Connor
Southwestern Utility Management, Inc.
PO Box 85160
Tucson, AZ 85754

Christopher Kempley, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 W. Washington Street
Phoenix, Arizona 85007

1 Ernest Johnson, Director
2 Utilities Division
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ARIZONA REPORTING SERVICE, INC.
2200 N. Central Avenue, Suite 502
Phoenix, Arizona 85004-1481

By: 
Juanita Gomez
Secretary to Jane L. Rodda