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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

COMMISSIONERS

DOCKETED

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

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AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF  
GROOM CREEK WATER USERS ASSOCIATION  
FOR AN INCREASE IN RATES.

DOCKET NO. W-01865A-07-0385

IN THE MATTER OF THE APPLICATION OF  
GROOM CREEK WATER USERS ASSOCIATION  
FOR APPROVAL OF FINANCING AND RATE  
CHANGES.

DOCKET NO. W-01865A-07-0384

PROCEDURAL ORDER

**BY THE COMMISSION:**

On June 25, 2007, Groom Creek Water Users Association ("Applicant" or "Groom Creek") filed with the Arizona Corporation Commission ("Commission") an application for an increase in its water rates.

On the same date, Groom Creek filed an application in Docket No. W-01865A-07-0384 requesting approval for financing.

Between July 9, 2007 and July 18, 2007, Jonathan Hoover, John and Marian Cree, Patty Berry, Mary Turbyfill, Majorie Navarro, Robert Schulz, and Donald Muller filed Motions to Intervene ("Motion").

On July 25, 2007, the Commission's Utilities Division ("Staff") filed an Insufficiency Letter in this docket indicating the Applicant's application had not met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C.").

On August 10, 2007, Staff filed a Letter of Sufficiency in this matter, and indicated that the Staff Report would be filed on October 24, 2007. The Commission has determined that Groom Creek is a class D utility and pursuant to statute the Commission may decide this case without a hearing.

On August 22, 2007, by Procedural Order, the Motions to Intervene were granted.

1 On October 2, 2007, Staff filed a Motion for an Extension of Time to file its Staff Report until  
2 November 5, 2007 in Docket No. W-01865A-07-0385. No objections to Staff's Motion were filed.

3 On October 29, 2007, Staff filed a Motion to Consolidate the above-captioned matters, stating  
4 Staff believed that these matters could be efficiently handled in a single proceeding.

5 On November 30, 2007, by Procedural Order, the two above-captioned dockets were  
6 consolidated and Staff was given until December 17, 2007, to file its Staff Report on the consolidated  
7 dockets and the timeclock in this matter was suspended.

8 On December 3, 2007, Groom Creek filed a copy of a special report sent to all Association  
9 members regarding a major water main break that occurred in October, 2007.

10 On December 14, 2007, Applicant filed a request that Staff's request for additional time to file  
11 its Staff Report be granted.

12 On December 17, 2007, Staff filed its Response to Groom Creek's Letter concurring with the  
13 request for additional time until December 31, 2007 to file the Staff Report in this matter.

14 On December 19, 2007, by Procedural Order, Staff was granted additional time, until January  
15 4, 2008, to file its Staff Report.

16 On December 21, 2007, Staff filed a Clarification to Staff's Response to Groom Creek's  
17 Letter. In its filing, Staff requested additional time to file its Staff Report until January 31, 2008,  
18 because the engineering analysis filed by Groom Creek on December 14, 2007 required Staff to issue  
19 more data requests.

20 On December 27, 2007, by Procedural Order, Staff was granted additional time, until January  
21 31, 2008, to file its Staff Report.

22 On January 31, 2008, Staff filed its Staff Report recommending approval of Groom Creek's  
23 application for a permanent rate increase and approval for financing.

24 On February 5, 2008, Staff filed a Notice of Errata to the Staff Report, to provide the  
25 engineering memorandum for the financing application, which had been inadvertently omitted.

26 On February 11, 2008, Groom Creek filed its Response to the Staff Report, objecting to the  
27 recommended base rate increase, as well as other increases recommended by Staff.

28 ...

1 On February 22, 2008, by Procedural Order, a procedural conference was scheduled for  
2 March 5, 2008, to determine whether the matter should continue as a non-hearing item. The  
3 timeclock remained suspended.

4 On March 5, 2008, Staff appeared at the procedural conference through counsel and Mr. Jerry  
5 Hodgson, President of the Board of Directors for Groom Creek appeared on behalf of the Applicant.  
6 During the procedural conference the parties were directed to discuss the possibility of settlement of  
7 some of the issues in this matter. After a period, both parties stated that they believed the issues in  
8 the case should be resolved through a hearing. The parties also stated that they believed there were  
9 some issues that may be resolved prior to a hearing in this matter.

10 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall be  
11 scheduled to commence on **May 15, 2008, at 1:00 p.m.**, or as soon thereafter as is practical, at the  
12 Commission's offices, 1200 West Washington Street, Arizona 85007.

13 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-  
14 105, except that all motions to intervene must be filed on or before **April 21, 2008**.

15 IT IS FURTHER ORDERED that **objections to any motions to intervene** must be filed no  
16 later than **May 5, 2008**.

17 IT IS FURTHER ORDERED that Groom Creek shall provide public notice of the hearing in  
18 this matter, in the following form and style, with the heading no less than 10 point bold type and the  
19 body no less than 10 point regular type:

20  
21 **PUBLIC NOTICE OF HEARING ON THE CONSOLIDATED APPLICATIONS OF**  
22 **GROOM CREEK WATER USERS ASSOCIATION FOR AN INCREASE IN RATES**  
**AND FOR APPROVAL OF FINANCING AND RATE CHANGES.**  
23 **(DOCKET NUMBER W-01865A-07-0385 ET AL.)**

24 On June 25, 2007, Groom Creek Water Users Association ("Company" or "Groom  
25 Creek") filed an application with the Arizona Corporation Commission  
26 ("Commission") for an increase in its water rates. On the same date, Groom Creek  
27 filed an application in Docket No. W-01865A-07-0384 requesting approval for  
28 financing. On November 30, 2007, the Commission consolidated the two dockets and  
the timeclock was suspended. The Commission's Utilities Division ("Staff") has  
recommended approval of Company's applications; however, the Commission is not  
bound by the proposals made by the Company, Staff, or any intervenors. The  
Commission will issue a decision regarding the Company's application following  
consideration of testimony and evidence presented at an evidentiary hearing. Copies

1 ~~of the applications are available at the Company's offices [insert address] and the~~  
2 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.

3 The Commission will hold a hearing on this matter beginning **May 15, 2008 at 1:00**  
4 **p.m.**, at the Commission's offices, 1200 West Washington, Phoenix, Arizona. Public  
5 comments will be taken on the first day of the hearing. Written public comments may  
6 be submitted via email (visit <http://www.azcc.gov/utility/cons/index.htm> for  
instructions), or by mailing a letter referencing Docket Number W-01865A-07-0385  
ET AL to: Arizona Corporation Commission, Consumer Services Section, 1200 West  
Washington, Phoenix, AZ 85007.

7 The law provides for an open public hearing at which, under appropriate  
8 circumstances, interested parties may intervene. Any person or entity entitled by law  
9 to intervene and having a direct and substantial interest in the matter will be permitted  
10 to intervene. If you would like to intervene, you must file a written motion to  
intervene with the Commission, and you must send copies of the motion to the  
Company or its counsel, and to all parties of record in the case. Your motion to  
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  
your place, if desired;
- 13 2. A short statement of your interest in the proceeding (e.g., a customer of  
the Company, a shareholder of the Company, etc.); and
- 14 3. A statement certifying that a copy of your motion to intervene has been  
15 mailed to the Company or its counsel and to all parties of record in the  
case.

16 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except  
17 that all motions to intervene must be filed on or before April 21, 2008. If  
18 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme  
19 Court, intervention will be conditioned upon the intervenor obtaining counsel to  
20 represent the intervenor. For information about requesting intervention, visit the  
Arizona Corporation Commission's webpage at  
<http://www.azcc.gov/utility/forms/index.htm>. The granting of intervention, among  
21 other things, entitles a party to present sworn evidence at hearing and to cross-examine  
22 other witnesses. However, failure to intervene will not preclude any customer from  
23 appearing at the hearing and making a statement on such customer's own behalf.

24 If you have any questions about this application, you may contact the Company at  
25 **[insert telephone number]**. If you wish to file written comments on the application  
26 or want further information on intervention you may contact the Consumer Services  
27 Section of the Commission at 1200 W. Washington St., Phoenix, AZ 85007, or call 1-  
28 800-222-7000.

25 The Commission does not discriminate on the basis of disability in admission to its  
26 public meetings. Persons with a disability may request a reasonable accommodation  
27 such as a sign language interpreter, as well as request this document in an alternative  
28 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.

1 IT IS FURTHER ORDERED that Groom Creek shall **mail to each customer** in its CC&N  
2 area and shall cause the above **notice to be published** in a newspaper of general circulation in its  
3 service territory, with publication and mailing to be completed no later than **April 7, 2008** .

4 IT IS FURTHER ORDERED that Groom Creek shall **file certification of mailing and**  
5 **publication** as soon as practicable after the mailing/publication has been completed, but not later  
6 than **April 21, 2008**.

7 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and  
8 publication of same, notwithstanding the failure of an individual property owner to read or receive  
9 the notice.

10 IT IS FURTHER ORDERED that **Groom Creek and Staff shall file a joint pleading**  
11 **outlining all issues that that the parties have agreed upon on or before April 15, 2008**.

12 IT IS FURTHER ORDERED that the parties shall continue to discuss settlement of the issues  
13 of this case up to the date of the hearing.

14 IT IS FURTHER ORDERED that **Staff shall docket a written response to the remaining**  
15 **unresolved issues raised in Groom Creek's objections to the Staff Report, on or before April 30,**  
16 **2008**.

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

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

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

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 18<sup>th</sup> day of March, 2008.

4  
5  
6   
7 YVETTE B. KINSEY  
ADMINISTRATIVE LAW JUDGE

8 Copies of the foregoing mailed/delivered  
9 this 18<sup>th</sup> day of March, 2008 to:

10 Jerry D. Hodgson, President  
11 GROOM CREEK WATER USERS  
ASSOCIATION  
12 4209 South Adeline Drive  
Prescott, AZ 85303

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

13 Jonathan S. Hoover  
14 1615 Palmcroft Drive SE  
Phoenix, AZ 85007-1735

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

15 John and Marian Cree  
16 1016 East Wagon Wheel Drive  
Prescott, AZ 86303

ARIZONA REPORTING SERVICE, INC.  
2200 North Central Avenue, Suite 502  
Phoenix, AZ 85004-1481

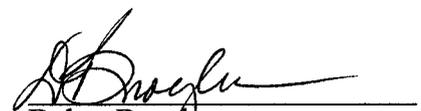
17 Patty Berry  
18 1169 Marapai Road  
Prescott, AZ 86303

19 Mary E. Turbyfill  
20 4168 Stagecoach Road  
Prescott, AZ 86303

21 Marjorie Navarro  
22 1074 East Wagon Wheel Drive  
Prescott, AZ 86303

23 Robert Schulz  
24 1075 East Wagon Wheel Drive  
Prescott, AZ 86303

25 Donald P. Muller  
26 4491 South Spur Lane  
Prescott, AZ 86303

27 By:   
28 Debra Broyles  
Secretary to Yvette B. Kinsey