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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF
VERDE LEE WATER COMPANY, INC. FOR A
RATE INCREASE

DOCKET NO. W-02096A-07-0460

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On August 2, 2007, Forrest G. and Alice W. Wilkerson d/b/a Verde Lee Water Co, Inc. ("Company") filed an application for a rate increase with the Arizona Corporation Commission ("Commission").

On October 5, 2007, the Commission's Utilities Division Staff ("Staff") filed with the Commission a Sufficiency Letter noting that the Company's application was sufficient and classifying the Company as a Class 'E' utility.

On November 28, 2007, Staff filed a Motion for an Extension requesting additional time to file its Staff Report until December 31, 2007 ("Motion").

On December 11, 2007, a Procedural Order was issued granting Staff's Motion for Extension to file its Staff Report until December 31, 2007.

On January 10, 2008, Staff filed a second Motion for Extension requesting additional time to file its Staff Report until January 18, 2008 ("Second Motion").

On January 11, 2008, a Procedural Order was issued granting Staff's Second Motion to file its Staff Report until January 18, 2008.

On January 24, 2008, Staff filed its Staff Report in this matter. In the Staff Report, Staff recommended a rate structure that would result in a greater rate increase than that requested by the Company. As such, Staff recommended that the issuance of a Decision in this docket be stayed pending re-notification by the Company to its customers of Staff's recommended rates.

1 To date, there has been no indication from the Company that it has provided to its customers
2 notice of Staff's proposed rates. Accordingly, the Company should be ordered to provide adequate
3 notice to its customers.

4 IT IS THEREFORE ORDERED that the Company shall provide public notice of Staff's
5 recommended rate structure in this matter, in the following form and style:

6 **NOTICE OF STAFF'S RECOMMENDED RATES FOR**
7 **VERDE LEE WATER COMPANY**
8 **Docket No. W-02096A-07-0460**

9 On August 2, 2007, Verde Lee Water Company ("Company") filed an application with
10 the Arizona Corporation Commission for an overall revenue increase of \$14,525,
11 which is an increase of approximately 14.43 percent. Under the Company's proposal,
12 the typical residential customer on a 5/8" meter, using a median usage of 6,625 gallons
13 per month, would experience a monthly increase of \$4.77, or 14.5 percent.

14 The Commission's Utilities Division Staff ("Staff") has recommended an overall
15 revenue increase of \$39,818, which an increase of approximately 39.56 percent. Under
16 Staff's proposal, the typical residential customer on a 5/8" meter, using a median
17 usage of 6,625 gallons per month, would experience a monthly increase of \$9.90, or
18 30.1 percent.

19 Customer input is an important part of the Commission's analysis of the recommended
20 rate structure. Customers should bring to the Commission's attention any questions or
21 concerns related to the Company's application, including service, billing procedures or
22 other factors important in determining the reasonableness of the charges. Copies of the
23 application and Staff's recommendation are available at the Company's offices [**insert**
24 **address**] and the Commission's offices at 1200 W. Washington St. Phoenix, Arizona
25 85007 and 400 West Congress, Suite 218, Tucson, Arizona 85701, for public
26 inspection during regular business hours and on the internet via the Commission
27 website (www.azcc.gov) using the e-docket function. If you have any questions about
28 this application, you may contact the Company at [**insert telephone number**]. If you
wish to file written comments on the application or want further information you may
contact the Consumer Services Section of the Commission by calling 1-800-222-7000
(Phoenix) or 1-800-535-0148 (Tucson). Written public comments may also be filed
by mailing the original and 13 copies (referencing Docket Number W-02096A-07-
0460) to the Commission's Docket Control, 1200 W. Washington St. Phoenix, AZ
85007.

Customer comments submitted in writing will be placed in the file, which the
Commission reviews prior to making its final decision on the Application. It is
important that customers wishing to contact the Commission do so by April 18, 2008
so that the Commission can consider customer comments and concerns in reaching its
decision.

1 IT IS FURTHER ORDERED that the Company shall mail to each of its customers a copy of
2 the above notice as soon as possible, but no later than April 2, 2008.

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

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

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

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

12 IT IS FURTHER ORDERED that all parties must comply with Rule 31 and Rule 38 of the
13 Rules of the Arizona Supreme Court with respect to practice of law and admission *pro hac vice*.

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

16 DATED this 21st day of March, 2008.

17
18 
19 BELINDA A. MARTIN
20 ADMINISTRATIVE LAW JUDGE

21 Copies of the foregoing mailed
this 21st day of March, 2008, to:

22 Forrest G. Wilkerson
23 VERDE LEE WATER COMPANY, INC.
24 P.O. Box 984
Clifton, Arizona 85007

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

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

By: 
Juanita Gomez
Secretary to Belinda A. Martin