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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

2 COMMISSIONERS

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DOCKETED

- 3 MIKE GLEASON - Chairman
- 4 WILLIAM A. MUNDELL
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- 6 KRISTIN K. MAYES
- 7 GARY PIERCE

AZ CORP COMMISSION
DOCKET CONTROL

JUL 10 2008

DOCKETED BY	<i>mm</i>
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8 IN THE MATTER OF THE APPLICATION OF
 9 WICKENBURG RANCH WATER, LLC
 10 (FORMERLY CDC WICKENBURG WATER,
 11 LLC) FOR APPROVAL OF A RATE
 12 ADJUSTMENT.

DOCKET NO. W-03994A-07-0657

RATE CASE
PROCEDURAL ORDER

10 BY THE COMMISSION:

11 On November 20, 2007, Wickenburg Ranch Water, LLC ("Wickenburg Ranch") filed with
12 the Arizona Corporation Commission ("Commission") an Application to Adjust Rates.

13 On December 14, 2007, the Commission's Utilities Division Staff ("Staff") filed a Letter of
14 Insufficiency stating that the application did not meet the sufficiency requirements outlined in
15 Arizona Administrative Code ("A.A.C.") R14-2-103.

16 On January 3, 2008, Wickenburg Ranch filed an Affidavit of Publication of Customer Notice
17 showing that notice of its application had been published in *The Wickenburg Sun* on December 12,
18 19, and 26, 2007.

19 On January 18, 2008, Wickenburg Ranch filed a Response to Letter of Insufficiency.

20 On February 21, 2008, Staff issued a Letter of Sufficiency, stating that Wickenburg Ranch
21 had also supplemented its application on January 31, 2008; that its application had met the
22 sufficiency requirements outlined in A.A.C. R14-2-103; and that it had been classified as a Class C
23 utility.

24 On February 28, 2008, a Procedural Order was issued scheduling a telephonic procedural
25 conference for March 17, 2008.

26 On March 4, 2008, Wickenburg Ranch filed a Response to Second Set of Data Requests.

27 On March 17, 2008, a telephonic procedural conference was held before a duly authorized
28 Administrative Law Judge ("ALJ") of the Commission. Wickenburg Ranch and Staff appeared

1 through counsel. During the procedural conference, it was determined that Staff would file its Staff
2 Report by July 7, 2008, and that Wickenburg Ranch would file any response to the Staff Report by
3 July 28, 2008. On the issue of whether a hearing should be held, Staff stated that a hearing likely
4 would not be necessary, and Wickenburg Ranch stated that a hearing would not be necessary if Staff
5 and Wickenburg Ranch were not far apart with their numbers, but that Wickenburg Ranch would
6 desire a hearing if Staff proposed something far different than what Wickenburg Ranch proposed.
7 Wickenburg Ranch also clarified that there is currently no water user for its system. Although the
8 decision whether to hold a hearing was reserved until after the issuance of the Staff Report, the ALJ
9 advised that tentative arrangements had been made for a prehearing conference on August 13, 2008,
10 and a hearing on August 19, 2008.

11 On July 8, 2008, Staff filed a Motion to Extend Time to File Staff Report, requesting an
12 additional two weeks for Staff to prepare the Staff Report, as Staff had just received new information
13 from the Arizona Department of Water Resources ("ADWR") stating that there is insufficient water
14 in the area for the purposes outlined in the application. Staff avowed that Wickenburg Ranch does
15 not object to the requested extension of time.

16 In light of the unusual factual circumstances of this matter, which have been made all the
17 more unusual due to Staff's revelation that ADWR has newly stated that there is insufficient water in
18 the area for the purposes outlined in Wickenburg Ranch's application,¹ it is appropriate (1) to provide
19 Staff with additional time to complete a thorough Staff Report, (2) to schedule a hearing in this
20 matter and establish associated deadlines, (3) to require prefiled testimony in this matter, and (4) to
21 extend the time period for a Commission final order in this matter.

22 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
23 commence on **October 8, 2008, at 9:30 a.m.**, or as soon thereafter as is practicable, at the
24 Commission's offices, Hearing Room #1, 1200 West Washington, Phoenix, Arizona 85007.

25 ...

26 ...

27 ¹ Although this revelation was not made in the form of an amendment to a filing, it does seem to substantially alter the
28 facts used as a basis for the requested change in rates and charges and, thus, is a sufficient basis for extending the deadline
for the Commission's final order, whether under A.A.C. R14-2-103(B)(11)(e)(i) or (ii).

1 IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **October 1,**
2 **2008, at 9:30 a.m.,** or as soon thereafter as is practicable, at the Commission's offices in Phoenix,
3 Hearing Room #1, for the purpose of scheduling witnesses and discussing the conduct of the hearing.

4 IT IS FURTHER ORDERED that any **direct testimony and associated exhibits** to be
5 presented at hearing **on behalf of Wickenburg Ranch** shall be reduced to writing and filed on or
6 before **August 6, 2008.** **Wickenburg Ranch shall ensure that the direct testimony and associated**
7 **exhibits fully address the financial issues related to establishing appropriate rates and charges**
8 **as well as the legal and technical issues related to providing water utility service to a new**
9 **development under its Certificate of Convenience and Necessity ("CC&N").**

10 IT IS FURTHER ORDERED that the **Staff Report and/or any direct testimony and**
11 **associated exhibits** to be presented at hearing **on behalf of Staff** shall be reduced to writing and filed
12 on or before **September 3, 2008.** **Staff shall ensure that the Staff Report and/or direct testimony**
13 **fully address/es not only the financial issues related to establishing appropriate rates and**
14 **charges but also the legal and technical issues related to providing water utility service to a new**
15 **development under a CC&N.** **Staff shall also ensure that its filing responds to the written**
16 **testimony and exhibits filed by Wickenburg Ranch.**

17 IT IS FURTHER ORDERED that any **direct testimony and associated exhibits** to be
18 presented at hearing **on behalf of intervenors** shall be reduced to writing and filed on or before
19 **September 3, 2008.**

20 IT IS FURTHER ORDERED that any **rebuttal testimony and associated exhibits** shall be
21 filed on or before **September 24, 2008.**

22 IT IS FURTHER ORDERED that any **substantive corrections, revisions, or supplements**
23 **to the filings required herein** shall be reduced to writing and filed no later than **October 6, 2008.**

24 IT IS FURTHER ORDERED that any **objections to any testimony or exhibits** that have
25 been pre-filed as of September 30, 2008, shall be made before or at the **October 1, 2008,** pre-hearing
26 conference.

27 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
28 105, except that all motions to intervene must be filed on or before **August 22, 2008.**

1 IT IS FURTHER ORDERED that any **objections to intervention** shall be filed on or before
2 **September 2, 2008.**

3 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
4 regulations of the Commission, except that for discovery requests made through August 8, 2008, any
5 objection to discovery requests shall be made within seven calendar days of receipt, and responses to
6 discovery requests shall be made within ten calendar days of receipt. After August 8, 2008,
7 objections to discovery requests shall be made within five calendar days, and responses shall be made
8 within seven calendar days of receipt. The response time may be extended by mutual agreement of
9 the parties involved if the request requires an extensive compilation effort. No discovery requests
10 shall be served after September 30, 2008.

11 IT IS FURTHER ORDERED that for discovery requests, objections, and answers, if a
12 receiving party requests service to be made electronically, and the sending party has the technical
13 capability to provide service electronically, service to that party shall be made electronically.

14 IT IS FURTHER ORDERED that, rather than filing a written motion to compel discovery,
15 any party seeking discovery may contact the Commission's Hearing Division by telephone to request
16 a date for a procedural hearing to resolve the discovery dispute; that upon such a request, a
17 procedural hearing will be convened as soon as practicable; and that the party making such a request
18 shall contact all other parties to advise them of the procedural hearing date and shall at the procedural
19 hearing provide a statement confirming that the other parties were contacted.²

20 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by
21 the Commission within 20 calendar days of the filing date of the motion shall be deemed denied.

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

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

26 IT IS FURTHER ORDERED that Wickenburg Ranch shall provide public notice of the

27 _____
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 hearing in this matter, in the following form and style, with the heading in no less than 12-point bold
 2 type and the body in no less than 10-point regular type:

3 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF**
 4 **WICKENBURG RANCH, LLC (FORMERLY CDC WICKENBURG WATER,**
 5 **LLC) FOR AN INCREASE IN ITS RATES FOR WATER SERVICE**
 6 **(Docket No. W-03994A-07-0657)**

7 **Summary**

8 On November 20, 2007, Wickenburg Ranch Water, LLC ("Wickenburg Ranch") filed
 9 with the Arizona Corporation Commission ("Commission") an application for an
 10 increase in its rates for water service. Wickenburg Ranch reports that it currently does
 11 not have any customers. However, it is authorized to charge rates that were approved
 12 in 1972 (a flat charge of \$6.00 per month for the first 2,000 gallons, plus \$1.00 for
 13 each additional 1,000 gallons of water used). With this rate application, Wickenburg
 14 Ranch requests authorization to charge rates that would, at a minimum, include a flat
 15 charge of \$11.50 per month plus \$2.50 for each 1,000 gallons of water used. The rate
 16 application also requests authority to impose service line and meter installation
 17 charges and various service charges. Wickenburg Ranch reports that it is requesting
 18 the rate increase to enable it to provide water service at reasonable rates and charges to
 19 a planned 2,162-acre community known as Wickenburg Ranch Estates, which will
 20 consist of 2,324 housing units.

21 The Commission's Utilities Division Staff ("Staff") is in the process of auditing and
 22 analyzing Wickenburg Ranch's records and has not yet made a recommendation
 23 regarding the rate application. The Commission will determine the appropriate relief
 24 to be granted based on the evidence of record in the proceeding. The Commission is
 25 not bound by the proposals made by Wickenburg Ranch, Staff, or any intervenors;
 26 therefore, the final rates approved may differ from the rates requested by Wickenburg
 27 Ranch.

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

Copies of the application and proposed rates are available at Wickenburg Ranch's
 offices [COMPANY INSERT ADDRESS HERE] and at the Commission's Docket
 Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection
 during regular business hours and on the Internet via the Commission's website
 (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **October 8, 2008, at
 9:30 a.m.**, at the Commission's offices, Hearing Room #1, 1200 West Washington
 Street, Phoenix, Arizona. Public comments will be taken on the first day of the
 hearing. Written public comments may be submitted by mailing a letter referencing
 Docket No. W-03994A-07-0657 to Arizona Corporation Commission, Consumer
 Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a
 form to use and instructions on how to e-mail comments to the Commission, go to
http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf. If you require
 assistance, you may contact the Consumer Services Section at 1-800-222-7000.

About Intervention

The law provides for an open public hearing at which, under appropriate
 circumstances, interested parties may intervene. Any person or entity entitled by law
 to intervene and having a direct and substantial interest in the matter will be permitted
 to intervene. If you desire to intervene, you must file a written motion to intervene

1 with the Commission no later than **August 22, 2008**. You must send a copy of the
 2 motion to intervene to Wickenburg Ranch or its counsel and to all parties of record.
 3 Your motion to intervene must contain the following:

- 4 1. Your name, address, and telephone number and the name, address, and
 5 telephone number of any party upon whom service of documents is to be made,
 6 if not yourself;
- 7 2. A short statement of your interest in the proceeding (e.g., a customer of
 8 Wickenburg Ranch, a shareholder of Wickenburg Ranch, etc.); and
- 9 3. A statement certifying that you have mailed a copy of the motion to intervene
 10 to Wickenburg Ranch or its counsel and to all parties of record in the case.

11 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
 12 that all motions to intervene must be filed on or before August 22, 2008. If
 13 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
 14 Court, intervention will be conditioned upon the intervenor obtaining counsel to
 15 represent the intervenor. For information about requesting intervention, visit the
 16 Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.
 17 The granting of intervention, among other things, entitles a party to present sworn
 18 evidence at the hearing and to cross-examine other witnesses. However, failure to
 19 intervene will not preclude any interested person or entity from appearing at the
 20 hearing and providing public comment on the application or from filing written
 21 comments in the record of the case.

22 **ADA/Equal Access Information**

23 The Commission does not discriminate on the basis of disability in admission to its
 24 public meetings. Persons with a disability may request a reasonable accommodation
 25 such as a sign language interpreter, as well as request this document in an alternative
 26 format, by contacting the ADA Coordinator, Linda Hogan, at LHogan@azcc.gov,
 27 voice phone number (602) 542-3931. Requests should be made as early as possible to
 28 allow time to arrange the accommodation.

IT IS FURTHER ORDERED that Wickenburg Ranch shall **mail to each current**
 licensee/water user, if any, a copy of the above notice by **August 1, 2008**, and shall cause the above
 notice to be **published at least once in a newspaper of general circulation** in its service territory,
 with publication to be completed **no later than August 1, 2008**.

IT IS FURTHER ORDERED that Wickenburg Ranch shall file **certification of mailing and**
publication as soon as practicable after the mailing and publication has been completed, but **no later**
than August 15, 2008.

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

IT IS FURTHER ORDERED that the **Commission's time period to issue a final order in**
this matter is hereby extended by 60 calendar days pursuant to A.A.C. R14-2-103(B)(11)(e).

IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules

1 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission
2 *pro hac vice*.

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

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

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

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 10th day of July, 2008.

17
18 
19 SARAH N. HARPRING
20 ADMINISTRATIVE LAW JUDGE
21
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23
24
25
26
27
28

1 Copies of the foregoing mailed/delivered
2 this 10th day of July, 2008 to:

3 Steve Wene
4 MOYES STOREY LAW OFFICES
5 1850 North Central Avenue, Suite 1100
6 Phoenix, Arizona 85004
7 Attorney for Wickenburg Ranch Water, LLC

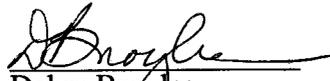
8 David Green
9 WICKENBURG RANCH WATER, LLC
10 C/O M3 Builders
11 4222 East Camelback, H100
12 Phoenix, Arizona 86018

13 Janice Alward, Chief Counsel
14 Kevin Torrey, Attorney
15 Legal Division
16 ARIZONA CORPORATION COMMISSION
17 1200 W. Washington Street
18 Phoenix, Arizona 85007

19 Ernest Johnson, Director
20 Utilities Division
21 ARIZONA CORPORATION COMMISSION
22 1200 W. Washington Street
23 Phoenix, Arizona 85007

24 ARIZONA REPORTING SERVICE, INC.
25 2200 North Central Avenue, Suite 502
26 Phoenix, Arizona 85004-1481

27 By:

28 
Debra Broyles
Secretary to Sarah N. Harpring