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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

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AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

JUL 18 2008

DOCKETED BY  
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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

PROCEDURAL ORDER

**BY THE COMMISSION:**

On September 26, 2007, Chaparral City Water Company, Inc. ("CCWC" or "Company") 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.

By Procedural Order issued November 30, 2007, a hearing was set on the application to commence on July 8, 2008. The Procedural Order also set associated procedural deadlines, including deadlines for public notice of the application and the hearing.

The November 30, 2007, Procedural Order also granted the Residential Utility Consumer Office's ("RUCO") November 19, 2007, Application to Intervene.

On December 7, 2007, the Company filed a Request to Modify Procedural Schedule in which the Company requested a continuation of the hearing due to a conflict on the part of counsel. A telephonic procedural conference was held on December 13, 2007, for discussion of the need for an extension of the deadline for a Commission Decision in this matter pursuant to A.A.C. R14-3-103(B)(11) (the Commission's "Time Clock Rule") in conjunction with the Company's requested schedule modification.

1 An Amended Rate Case Procedural Order was issued on December 19, 2007, continuing the  
2 hearing on this matter from July 8, 2008, to July 21, 2008, and continuing associated procedural  
3 deadlines.

4 On January 3, 2008, Staff filed a Motion to Suspend Time Clock.

5 On January 8, 2008, CCWC filed its Response in Opposition to the Utilities Division's  
6 Motion to Suspend Time Clock.

7 On January 10, 2008, RUCO filed its Response to the Utilities Division's Motion to Suspend  
8 Time Clock.

9 On January 14, 2008, Staff filed its Reply to Company's Response to Staff's Motion to  
10 Suspend Time Clock.

11 On January 22, 2008, a Procedural Order was issued granting Staff's Motion to Suspend  
12 Timeclock. The Procedural Order continued the hearing pursuant to A.A.C. R14-2-103(B)(11)(g)  
13 and A.A.C. R14-2-103(B)(11)(e)(ii), and ordered that the hearing would be reset to continue as soon  
14 as practicable following the Commission's final order in Docket No. W-02113A-04-0616, a pending  
15 matter in which the rates of CCWC are also being considered. The Procedural Order ordered all  
16 parties to continue to conduct discovery and case preparation to the greatest extent possible during  
17 the duration of the continuance, in order to minimize any delay in implementation of new rates  
18 pursuant to this application.

19 On January 24, 2008, the Company filed a Motion for Reconsideration by the Commission of  
20 Procedural Order Staying Rate Application.

21 On January 28, 2008, Staff filed Staff's Response to CCWC's Motion for Reconsideration.

22 On July 7, 2008, the Company filed a Notice of Implementation of Interim Rates Pursuant to  
23 A.R.S. § 40-256.

24 On July 8, 2008, RUCO filed RUCO's Opposition to the Company's Implementation of  
25 Interim Rates and Motion to Prohibit the Company from Implementing Interim Rates.

26 On July 11, 2008, the Company filed a Notice of Postponement of Implementation of Interim  
27 Rates Pursuant to A.R.S. § 40-256.

28 On July 16, 2008, Staff filed Staff's Response to the Company's Notice of Implementation of

1 Interim Rates Pursuant to A.R.S. § 40-256 and Notice of Postponement. Therein, Staff stated that it  
2 would oppose an attempt by the Company to notice and implement a rate increase without an order  
3 by the Commission. Staff included legal arguments in support of its position, and requested that a  
4 procedural conference be scheduled to address the issues raised by the Company's notices regarding  
5 interim rates.

6 On July 17, 2008, at an Open Meeting of the Commission, the Commission voted to adopt, as  
7 amended, the Recommended Opinion and Order filed in Docket No. W-02113A-04-0616 on June 30,  
8 2008. Accordingly, in accordance with the Procedural Order issued in this case on January 22, 2008,  
9 the hearing and associated procedural deadlines in this proceeding will be reset to continue as soon as  
10 practicable. The parties should be given an opportunity, at a procedural conference, to discuss an  
11 appropriate procedural schedule for the hearing on this application. The procedural conference will  
12 also provide a forum, as requested by Staff, for discussion of the issues raised by the Company's  
13 notices regarding interim rates.

14 IT IS THEREFORE ORDERED that a **Procedural Conference** in the above-captioned  
15 matter shall be held on **July 21, 2008, commencing at 3:30 p.m.** or as soon thereafter as is practical,  
16 at the Commission's offices, 1200 West Washington Street, Hearing Room #1, Phoenix, Arizona  
17 85007.

18 IT IS FURTHER ORDERED that the parties shall come to the Procedural Conference  
19 prepared to discuss an appropriate procedural schedule for the hearing on Chaparral City Water  
20 Company's pending rate application.

21 IT IS FURTHER ORDERED that the parties shall come to the Procedural Conference  
22 prepared to discuss the legal issues raised by Chaparral City Water Company's July 7, 2008, Notice  
23 of Implementation of Interim Rates Pursuant to A.R.S. § 40-256, and responsive and related filings in  
24 this docket.

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

28 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance

1 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the  
2 Rules of Arizona Supreme Court). Representation before the Commission includes appearances at all  
3 hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled  
4 for discussion, unless counsel has previously been granted permission to withdraw by the  
5 Administrative Law Judge or the Commission.

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

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

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

14 Dated this 18<sup>th</sup> day of July, 2007.

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16   
17 TEENA WOLFE  
18 ADMINISTRATIVE LAW JUDGE

19 Copies of the foregoing mailed/delivered  
this 18<sup>th</sup> day of July, 2007, to:

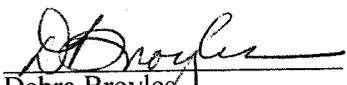
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By:   
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Secretary to Teena Wolfe