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BEFORE THE ARIZONA CORPORATION COMMISSION

AZ CORP COMMISSION
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Arizona Corporation Commission
DOCKETED

AUG 14 2008

2 COMMISSIONERS

- 3 MIKE GLEASON, Chairman
- 4 WILLIAM A. MUNDELL
- 5 JEFF HATCH-MILLER
- 6 KRISTIN K. MAYES
- 7 GARY PIERCE

DOCKETED BY

8 IN THE MATTER OF THE APPLICATION OF
9 YARNELL WATER IMPROVEMENT
10 ASSOCIATION, INC. FOR A PERMANENT
11 RATE INCREASE.

DOCKET NO. W-02255A-07-0570

12 IN THE MATTER OF THE APPLICATION OF
13 YARNELL WATER IMPROVEMENT
14 ASSOCIATION, INC. FOR APPROVAL OF
15 FINANCING.

DOCKET NO. W-02255A-08-0355

RATE CASE
PROCEDURAL ORDER

12 On October 5, 2007, Yarnell Water Improvement Association, Inc. ("Company" or
13 "Applicant") filed with the Arizona Corporation Commission ("Commission") an application for an
14 increase in its permanent rates and charges.

15 On November 5, 2007, the Commission's Utilities Division ("Staff") issued a notice of
16 insufficiency pursuant to A.A.C. R14-3-103.

17 On March 3, 2008, Staff issued a notice of sufficiency indicating the Company's rate
18 application was sufficient, and classifying the Company as a Class C utility.

19 On March 19, 2008, pursuant to A.A.C. R14-3-101, the Commission issued a Procedural Order
20 to govern the preparation and conduct of this proceeding. A hearing was scheduled for July 22, 2008,
21 filing dates established and public notice was ordered to be provided by the Company by both
22 publication and by mailing notice to its customers.

23 On June 23, 2008, Staff filed its report recommending approval of its proposed rates and
24 charges. Staff further recommended that the Commission retroactively approve financing for the
25 purchase of a pick-up truck in the amount of \$19,827. However, the Company had not yet filed an
26 application for approval of this long-term debt and notice of this application would be required to be
27 provided to customers also. No objections were filed to the Staff Report.

28

1 On July 7, 2008, by Procedural order, the Company was ordered to file a financing application
2 and provide public notice in light of Staff's recommendation for the retroactive approval of financing
3 for a new pick-up truck in the Staff Report. It was further ordered that the July 22, 2008 hearing be
4 held for the purpose of taking public comment only. Lastly, Staff was ordered to file a separate Staff
5 Report on the financing application and the time-frame in the rate proceeding was suspended.

6 On July 14, 2008, the Company filed an application requesting Commission approval of long-
7 term financing for the purchase of a new pick-up truck.

8 On July 22, 2008, a full public hearing on the rate proceeding was convened for the purpose of
9 taking public comment only before a duly authorized Administrative Law Judge of the Commission at
10 its offices in Phoenix, Arizona. The Company appeared through its president and vice president and
11 Staff appeared with counsel. No one appeared to make public comment, but it was disclosed that
12 public notice was not given as ordered in the Commission's Procedural Order of March 19, 2008, and
13 as a result, after the applications were consolidated, further public notice would be required for the
14 rescheduled hearing.

15 On August 11, 2008, Staff filed a Motion to Consolidate the above-captioned proceedings for
16 purposes of hearing.

17 Accordingly, the applications should be consolidated, a hearing should be scheduled, public
18 notice should be given as prescribed hereinafter and the time frame should remain suspended.

19 IT IS THEREFORE ORDERED that the above-captioned proceeding shall be consolidated for
20 purposes of hearing.

21 IT IS FURTHER ORDERED that the **hearing** in the above-captioned matter shall commence
22 on **October 2, 2008, at 10:00 a.m.** or as soon thereafter as is practical, at the Commission's offices,
23 1200 West Washington Street, Room 100, Phoenix, Arizona.

24 IT IS FURTHER ORDERED that since the Staff Report has been previously filed in the rate
25 proceeding, a separate **Staff memorandum and/or any direct testimony and associated exhibits to**
26 **be presented at hearing in the financing proceeding** on behalf of Staff shall be reduced to writing
27 and filed on or before **August 26, 2008.**
28

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

4 IT IS FURTHER ORDERED that any **rebuttal testimony and associated exhibits** to be
5 presented at hearing by the Company shall be reduced to writing and filed on or before
6 **September 26, 2008.**

7 IT IS FURTHER ORDERED that any **surrebuttal testimony and associated exhibits** to be
8 presented by the Staff and/or intervenors shall be reduced to writing and filed on or before
9 **October 1, 2008.**

10 IT IS FURTHER ORDERED that any **objections to any testimony or exhibits** shall be made
11 on or before **October 1, 2008.**

12 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
13 pre-filed testimony shall be reduced to writing and filed no later than five days before the witness is
14 scheduled to testify.

15 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-105,
16 except that all motions to intervene must be filed on or before **September 15, 2008.**

17 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
18 regulations of the Commission, except that: any objection to discovery requests shall be made within
19 seven days¹ of receipt and responses to discovery requests shall be made within ten days of receipt;
20 thereafter, objections to discovery requests shall be made within five days and responses shall be made
21 in seven days; the response time may be extended by mutual agreement of the parties involved if the
22 request requires an extensive compilation effort; and no discovery requests shall be served after
23 May 16, 2008.

24 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
25 discovery, any party seeking discovery may telephonically contact the Commission's Hearing Division
26 to request a date for a procedural hearing to resolve the discovery dispute; that upon such a request, a
27

28 ¹ "Days" means calendar days.

1 procedural hearing will be convened as soon as practicable; and that the party making such a request
2 shall forthwith contact all other parties to advise them of the hearing date and shall at the hearing
3 provide a statement confirming that the other parties were contacted.²

4 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by
5 the Commission within 10 days of the filing date of the motion shall be deemed denied.

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

8 IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date
9 of the response.

10 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
11 this matter, in the following form and style:

12 **PUBLIC NOTICE OF HEARING ON THE RATE AND FINANCING APPLICATIONS**
13 **OF YARNELL WATER IMPROVEMENT ASSOCIATION, INC.**
(Docket Nos. W-02255A-07-0570 and W-02255A-08-0355)

14 On October 5, 2007, and July 14, 2008, respectively, Yarnell Water Improvement
15 Association, Inc. ("Company") filed applications with the Arizona Corporation
16 Commission for an increase in its rates and charges and for financing approval. Copies
of the Company's applications and proposed tariffs are available at its office and the
Commission's offices for public inspection during regular business hours.

17 The Commission will hold a public hearing on these matters beginning
18 **October 2, 2008, at 10:00 a.m.** at the Commission's offices, 1200 West Washington
Street, Phoenix, Arizona. Public comments will be taken at the beginning of the
hearing.

19 The law provides for an open public hearing at which, under appropriate circumstances,
20 interested parties may intervene. Intervention shall be permitted to any person entitled
21 by law to intervene and having a direct and substantial interest in the matter. Persons
desiring to intervene must file a written motion to intervene with the Commission no
later than **September 15, 2008**. The motion to intervene must be sent to the Company
or its counsel and to all parties of record, and shall contain the following:

- 22
- 23 1. The name, address, and telephone number of the proposed intervenor and of any
party upon whom service of documents is to be made if different from the intervenor.
 - 24 2. A short statement of the proposed intervenor's interest in the proceeding
(e.g., a customer of the Company, a shareholder of the Company, etc.).
 - 25 3. A statement certifying that a copy of the motion to intervene has been mailed to
26 the Company or its counsel and to all parties of record in the case.

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 The granting of intervention, among other things, entitles a party to present sworn
2 evidence at the hearing and to cross-examine other witnesses. However, failure to
3 intervene will not preclude any interested person or entity from appearing at the
4 hearing and providing public comment on the application or from filing written
5 comments in the record of the case. You will not receive any further notice of this
6 proceeding unless you request it.

7 If you have any questions about this application, or want further information on
8 intervention, you may contact the Consumer Services Section of the Commission at
9 602-542-4251 or 1-800-222-7000.

10 The Commission does not discriminate on the basis of disability in admission to its
11 public meetings. Persons with a disability may request a reasonable accommodation
12 such as a sign language interpreter, as well as request this document in an alternative
13 format, by contacting Linda Hogan at LHogan@azcc.gov, voice phone number
14 602- 542-3931. Requests should be made as early as possible to allow time to arrange
15 the accommodation.

16 IT IS FURTHER ORDERED that the Company shall provide notice as follows:

- 17 • by **posting by September 5, 2008**, a copy of the above notice at the Company's
18 standpipe in the service area; and
- 19 • by **mailing by September 5, 2008**, a copy of the above notice to each of its
20 customers.

21 IT IS FURTHER ORDERED that the Company shall file certification of the provision of
22 notice in the form ordered above as soon as practicable after notice has been completed.

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

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

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

DATED this 14TH day of August, 2008.


MARC E. STERN
ADMINISTRATIVE LAW JUDGE

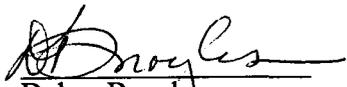
1 Copies of the foregoing mailed
this 14th day of August, 2008 to:

2 Tammy Zudell
3 YARNELL WATER IMPROVEMENT ASSOCIATION, INC.
4 P. O. Box 727
Yarnell, Arizona 85362

5 Janice Alward, Chief Counsel Legal Division
6 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

7 Ernest Johnson, Director Utilities Division
8 ARIZONA CORPORATION COMMISSION
9 1200 West Washington Street
Phoenix, Arizona 85007

10 ARIZONA REPORTING SERVICE, INC.
11 2200 North Central Street, Suite 502
Phoenix, AZ 85004-1481

12 By: 
13 Debra Broyles
14 Secretary to Marc E. Stern

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