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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

DOCKETED

JAN 27 2009

2 COMMISSIONERS

3 KRISTIN K. MAYES - Chairman


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7 BOB STUMP

2009 JAN 27 A 11:19
AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY 

8 IN THE MATTER OF THE APPLICATION OF
9 FAR WEST WATER & SEWER COMPANY FOR
10 A DETERMINATION OF THE FAIR VALUE OF
11 ITS SEWER UTILITY PLANT AND PROPERTY
12 AND FOR INCREASES IN ITS RATES.

DOCKET NO. WS-03478A-08-0454

PROCEDURAL ORDER

10 BY THE COMMISSION:

11 On August 29, 2008, Far West Water & Sewer Company ("Far West" or "Company") filed
12 with the Arizona Corporation Commission ("Commission") an application for a rate increase for its
13 sewer utility service.

14 By Procedural Order dated December 12, 2008, the matter was set for hearing to commence
15 on July 29, 2009, and a procedural schedule for the filing of testimony was established.

16 On December 19, 2008, Far West filed an emergency application for the immediate
17 implementation of interim rates for sewer service, which rates, if granted, would be effective until a
18 decision has been issued on the Company's application for permanent rate increase See Docket No.
19 WS-03478A-08-00608.

20 On January 12, 2009, the Commission's Utilities Division ("Staff") filed a Response to the
21 Emergency Rate Application in Docket No. WS-03478A-08-0608 and a Motion to Suspend Time
22 Clock in this docket. Staff states that it cannot process both cases at the same time. Staff
23 recommended that if the Company wishes to proceed with the emergency application, that the time
24 clock for the permanent rate application be suspended.

25 On January 20, 2009, Far West filed a "Motion to Consolidate; Combined Response to Staff's
26 Motion to Suspend Time and Request for Scheduling Order." Far West filed its Request in both the
27 emergency and permanent rate case dockets. The Company sought to have the request for interim
28 emergency rates consolidated with the pending permanent rate case; argued against suspending the

1 time clock on the permanent rate case beyond the time it would take to complete the hearing on the
2 interim application; and proposed a schedule for processing the interim request and the permanent
3 rate application.

4 On January 21, 2009, the Residential Utility Consumer Office (“RUCO”) filed a “Response to
5 Staff’s Request to Suspend the Time Clock and the Company’s Response.” RUCO recommended
6 that if the Commission proceeds with the emergency case, that the time clock in the permanent case
7 be suspended, and further, that after completion of the mandated capital improvements and twelve
8 months of operating data, the Company be required to update its permanent rate application using a
9 more appropriate test year.

10 The interim emergency case and permanent rate case, although related, involve distinct
11 factual inquiries and separate legal standards, and in an effort to prevent a confusion in the two
12 records and maintain the proper focus in each case, the matters will not be consolidated.
13 Furthermore, the time clock in the permanent case will be suspended pending a final order in the
14 emergency interim proceeding. Not only is processing two rate cases simultaneously an undue
15 burden on resources, it is imperative that the parties have knowledge of the outcome of the interim
16 proceeding prior to making recommendations in the permanent rate case. The Company opted to file
17 its interim request and must face the reality that the consequence of that choice is that the permanent
18 rate case cannot be processed until the conclusion of the interim proceeding. Following a final order
19 in Docket No. WS-03478A-08-0608, a Procedural Conference will be convened to re-establish filing
20 deadlines and schedule a hearing on the permanent request. We do not adopt RUCO’s suggestion to
21 require an updated test year in the permanent case at this time, but may revisit the recommendation
22 depending on the resolution of the emergency proceeding.

23 IT IS THEREFORE ORDERED that the **time clock is suspended** and the **procedural**
24 **schedule, including the hearing date**, as set forth in the December 12, 2008 Procedural Order, is
25 **vacated** pending further Order.

26 IT IS FURTHER ORDERED that the **public comment meeting** set for March 5, 2009 in
27 Yuma, **shall take place as scheduled**, and shall also include comments related to the emergency
28 request.

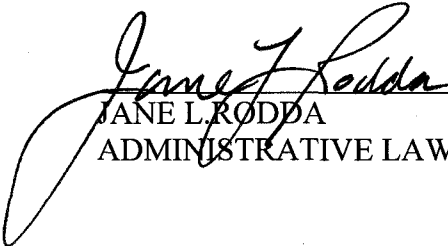
1 IT IS FURTHER ORDERED that the request to consolidate the emergency and permanent
2 rate cases is denied.

3 IT IS FURTHER ORDERED that following a Commission Decision in Docket No. WS-
4 03478A-08-0608, the Hearing Division shall convene a Procedural Conference in this matter to re-
5 establish a procedural schedule.

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 Presiding Officer may rescind, alter, amend, or waive
10 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

11 DATED this 21st day of January, 2009.

12
13 
14 JANE L. RODDA
15 ADMINISTRATIVE LAW JUDGE

16 Copies of the foregoing mailed
17 this 21st day of January, 2009 to:

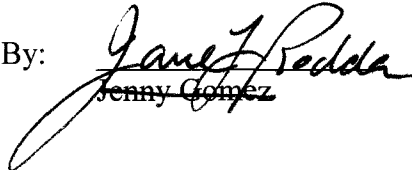
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