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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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2009 JAN 27 A. II: 22

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

JAN 27 2009

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
FAR WEST WATER & SEWER COMPANY, AN
ARIZONA CORPORATION, FOR APPROVAL OF
INTERIM RATES AND CHARGES.

DOCKET NO. WS-03478A-08-0608

PROCEDURAL ORDER

BY THE COMMISSION:

On December 19, 2008, Far West Water & Sewer Company ("Far West" or "Company") filed with the Arizona Corporation Commission ("Commission") an emergency application for the immediate implementation of interim rates for sewer service, which rates would be effective until a decision has been issued on the Company's application for permanent rate increase (Docket No. WS-03478A-08-0454).

On January 13, 2009, the Commission's Utilities Division ("Staff") filed a Response to the Emergency Rate Application. Staff expressed the concern that it is difficult for Staff to process an emergency rate application at the same time it has to process the permanent rate application. Staff recommended that if the Company wishes to proceed with the emergency application, that the time clock for the permanent rate application be suspended.¹ Staff further requested a Procedural Conference to discuss scheduling.

On January 20, 2009, Far West filed a "Motion to Consolidate; Combined Response to Staff's Motion to Suspend Time and Request for Scheduling Order." Far West filed its Request in both the emergency and permanent rate case dockets. The Company seeks to have the request for interim emergency rates consolidated with the pending permanent rate case; argues against suspending the time clock on the permanent rate case beyond the time it would take to complete the hearing on the interim application; and proposes a schedule for processing the interim request and the permanent

¹ On January 13, 2009, Staff filed a Motion to Suspend the Time Clock in Docket No. WS-03478A-08-0454.

1 rate application.

2 On January 21, 2009, the Residential Utility Consumer Officer ("RUCO") filed in both
3 dockets its "Response to Staff's Request to Suspend the Time Clock and the Company's Response."

4 On January 22, 2009, a Procedural Conference convened for the purpose of scheduling the
5 interim rate case. Far West, Staff and RUCO appeared through counsel. RUCO, already an
6 intervenor in the permanent rate case, moved to intervene in the interim matter, and neither Far West
7 nor Staff objected. Far West argued that consolidation was appropriate as the interim and permanent
8 rate cases were substantially related and it would facilitate processing the matters. Staff objected to
9 consolidation on the grounds that an emergency request involves different factual inquiries and legal
10 standards than the permanent rate case, and that consolidation could lead to the emergency
11 proceeding becoming a mini permanent rate case. RUCO believed that consolidation should be left
12 to the discretion of the Commission based on a determination of administrative convenience.

13 The parties agreed that they would be able to file testimony and be prepared for a hearing on
14 the emergency request by early April. Although Far West understood that Staff could not process
15 both the interim and permanent rate cases simultaneously, the Company argued the time clock in the
16 permanent case should not be suspended longer than the time necessary for the parties to participate
17 in the hearing. Far West proposed a schedule for the emergency request that would have Staff and
18 intervenors filing testimony in February and a hearing in late March and proposed a revised schedule
19 in the permanent rate case that would have Staff and intervenors filing direct testimony in July, 2009
20 and hearing in October, 2009. Staff argued that the permanent rate case should be suspended until
21 there is a final decision in the emergency case, as the outcome of the emergency proceeding would
22 likely affect recommendations in the permanent rate case and it is impossible at this time to know
23 when the emergency case will conclude. RUCO argued that the permanent rate case schedule should
24 be suspended until the Company can provide twelve months of data on the operating expenses for the
25 plant that is not yet installed and that the Company should be required to update its test year to
26 encompass the new operating expenses.

27 The interim proceeding involves a different factual inquiry and legal analysis than is relevant
28 for the permanent rate case, and we want to insure that the focus of the interim proceeding remains on

1 the emergency request. Experience in other dockets has shown that administration of an emergency
 2 request while the permanent case is pending can result in confusion of the records. In an attempt to
 3 keep the two matters distinct, the dockets will not be consolidated. In addition, concurrent herewith,
 4 in Docket No. WS-03478A-08-0454, a Procedural Order will suspend the procedural schedule in the
 5 permanent rate case pending a final order in the emergency proceeding. The Commission does not
 6 have the resources to process simultaneously two rate cases for the same Company, but moreover, the
 7 outcome of the emergency proceeding will affect the permanent rate case, and Staff and intervenors
 8 should have all the facts associated with the emergency request prior to filing their testimony in the
 9 permanent case. It is the Company's choice to file the emergency request, and by electing to
 10 proceed, it must recognize that processing and resolution of the permanent case will be affected.

11 **IT IS THEREFORE ORDERED that a hearing on the emergency request shall commence**
 12 **on April 6, 2009, at 10:00 a.m., or as soon thereafter as is practical, at the Commission's offices,**
 13 **Room 222, 400 West Congress Street, Tucson, Arizona 85701.**

14 **IT IS FURTHER ORDERED that a Public Comment Meeting will be held on March 5,**
 15 **2009, at 6:00 p.m., or as soon thereafter as is practical, at the Sunrise Elementary School**
 16 **cafeteria/multi-purpose room, 9943 28th Street, Yuma, Arizona, 85637.²**

17 **IT IS FURTHER ORDERED that the Staff Report and/or any testimony and associated**
 18 **exhibits to be presented at hearing on behalf of Staff and intervenors shall be reduced to writing and**
 19 **filed on or before March 6, 2009.**

20 **IT IS FURTHER ORDERED that Far West shall file its Response to the Staff Report or Staff**
 21 **and intervenor testimony on or before March 27, 2009.**

22 **IT IS FURTHER ORDERED that Far West shall mail a copy of the notice as set forth**
 23 **herein to all of its customers on or before February 20, 2009.**

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28 ² The Public Comment meeting will be held concurrently with the public comment already set in the permanent rate case proceeding.

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PUBLIC NOTICE OF THE HEARING ON
FAR WEST WATER & SEWER COMPANY REQUEST FOR AN
EMERGENCY RATE INCREASE
DOCKET NO. WS-03478A-08-0608

5 Far West Water & Sewer Company ("Company") has requested the Arizona Corporation
6 Commission ("Commission") to determine if an interim emergency rate increase should
7 be granted for its sewer utility service. Far West is seeking additional annual revenues of
8 \$2,161,788, an increase of 101.02 percent over the Company's 2007 revenues. Under the
9 Company's proposal, residential customers would pay \$45.59 per month, an increase of
10 \$23.84; commercial customers would pay \$91.18 per month, an increase of \$47.68, and
11 the charge for Recreational Vehicle Parks per space would be \$11.40, an increase of
12 \$5.96.

13 If you have any questions concerning how the Company's emergency rate proposal will
14 affect your bill or have other substantive questions about this application, you may
15 contact the Company at: **12486 Foothills Blvd., Yuma, AZ 85367; Attention: Andrew**
16 **Caestro, (928) 342-1238 or acaestro@aol.com.**

17 Commission Staff and the Residential Utility Consumer Office have not yet made their
18 recommendations on the requested emergency request. The Commission will make a
19 determination of whether an emergency exists and may deny the request or approve an
20 interim rate either higher or lower than that requested based on the evidence presented at
21 hearing.

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

25 Copies of the application and proposed tariffs are available at the Company's offices
26 [**INSERT ADDRESS**] and at the Commission's Docket Control Center at 1200 West
27 Washington, Phoenix, Arizona and its Tucson offices, 400 West Congress, Suite 218,
28 Tucson, Arizona and on the internet via the Commission website ([/www.azcc.gov/](http://www.azcc.gov/))
using the e-docket function.

Public Hearing and Public Comment

29 The **public hearing** on the emergency request will begin at the Commission's offices at
30 **400 West Congress Street, Room 222, Tucson, Arizona on April 6, 2009 at 10:00 a.m.**
31 **Customers can attend the hearing and make public comment, or file written comments**
32 **with the Commission.** Written comments should be addressed to Docket Control, 1200
33 W. Washington, Phoenix, Arizona 85007, and should reference Docket No. WS-03478A-
34 08-0608.

35 In addition, the Commission will hold a **Public Comment Meeting on March 5, 2009,**
36 **at 6:00 p.m.,** or as soon thereafter as is practical, at the **Sunrise Elementary School**
37 **cafeteria/multi-purpose room, 9943 28th Street, Yuma, Arizona, 85637.**

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About Intervention

41 Intervenors may intervene in this matter. The granting of intervention, among other
42 things, entitles a party to present sworn evidence at hearing and to cross-examine other
43 witnesses. **However, failure to intervene will not preclude any customer from appearing**
44 **at the hearing and making a statement on such customer's own behalf.** For information
45 about requesting intervention, visit the Commission's webpage at
46 <http://www.azcc.gov/utility/forms/index.htm>, or contact the Commission's consumer
47 services section at 1-800-222-7000 or 602-542-4251.

1 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that
 2 all motions to intervene must be filed on or before March 10, 2009. If representation by
 3 counsel is required by Rule 31 of the rules of the Arizona Supreme Court, intervention
 will be conditioned upon the intervenor obtaining counsel to represent the intervenor.

4 **ADA/Equal Access Information**

5 The Commission does not discriminate on the basis of disability in admission to its public
 6 meetings. Persons with a disability may request a reasonable accommodation such as
 7 sign language interpreter, as well as request this document in an alternative format, by
 contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail
 8 **sbernal@azcc.gov**. Requests should be made as early as possible to allow time to
 arrange the accommodation.

9 IT IS FURTHER ORDERED that the Company shall file with the Commission's Docket
 10 Control certification that the public notice was mailed in accordance with this Procedural Order as
 11 soon as practical after the mailing is complete.

12 IT IS FURTHER ORDERED that notice in accordance with this Procedural Order shall be
 13 deemed complete upon mailing, notwithstanding the failure of an individual customer to read or
 14 receive the notice.

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 March 10, 2009**.

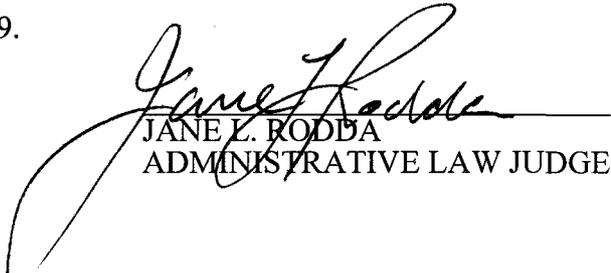
17 IT IS FURTHER ORDERED that RUCO's request to intervene in this emergency proceeding
 18 is granted.

19 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
 20 Communications) applies to this proceeding as the matter is now set for public hearing.

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

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

26 DATED this 26th day of January, 2009.

27 
 28 JANE E. RODDA
 ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed
this 20th day of January, 2009 to:

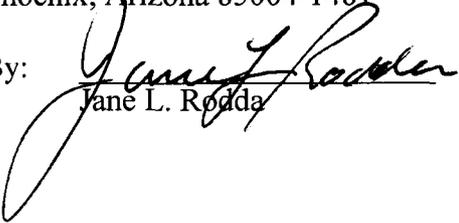
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By: 
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