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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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Arizona Corporation Commission
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FEB 10 2009

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IN THE MATTER OF THE APPLICATION OF
GARKANE ENERGY COOPERATIVE, INC.
FOR APPROVAL TO EXTEND ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO INCLUDE COLORADO CITY,
ARIZONA.

DOCKET NO. E-01891A-08-0598

PROCEDURAL ORDER

BY THE COMMISSION:

On December 12, 2008, Garkane Energy Cooperative, Inc. ("Garkane") filed with the Arizona Corporation Commission ("Commission") an application to extend its Certificate of Convenience and Necessity ("CC&N") to provide electric service to Colorado City, Arizona. According to its application, Garkane has entered into a Memorandum of Understanding ("MOU") to purchase the utility assets of Colorado City, Arizona, and Hildale, Utah ("the Twin Cities") and provide electric service to the residents of the Twin Cities, including approximately 700 customers in Colorado City. Garkane has stated that it will provide electric service to Colorado City residents using its current Commission-approved tariffs and regulations and will use the tariffs' wholesale power cost adjustment provision to adjust Colorado City's tariff rates because there is a higher annual wholesale power cost to serve the Twin Cities than exists for the remainder of Garkane's service area in Arizona and Utah. The MOU requires that the transaction be closed no later than June 30, 2009. Garkane has requested that its application be considered no later than at the Open Meeting on April 28 and 29, 2009.

On February 6, 2009, the Commission's Utilities Division Staff ("Staff") issued a Sufficiency Letter stating that Garkane's application has met the sufficiency requirements outlined in the Arizona Administrative Code ("A.A.C.").

1 It is now appropriate to schedule a hearing in this matter and to establish other procedural
2 requirements and deadlines.

3 IT IS THEREFORE ORDERED that a **hearing** in this matter shall commence on **April 3,**
4 **2009, at 9:30 a.m.,** or as soon thereafter as is practicable, in Room 100 at the Commission's offices,
5 1200 West Washington Street, Phoenix, Arizona 85007.

6 IT IS FURTHER ORDERED that **Garkane shall arrange and pay for the final transcript**
7 **from the hearing to be completed and provided, in a hard copy format, to the Commission's**
8 **Hearing Division no later than noon on April 6, 2009.**

9 IT IS FURTHER ORDERED that Garkane shall provide public notice of the application and
10 hearing in this matter, in the following form and style, with the heading in no less than 12-point bold
11 type and the body in no less than 10-point regular type:

12 **IN THE MATTER OF THE APPLICATION OF GARKANE ENERGY**
13 **COOPERATIVE, INC. FOR APPROVAL TO EXTEND ITS**
14 **CERTIFICATE OF CONVENIENCE AND NECESSITY TO INCLUDE**
15 **COLORADO CITY, ARIZONA**
16 **(Docket No. E-01891A-08-0598)**

17 **Summary**

18 On December 12, 2008, Garkane Energy Cooperative, Inc. ("Garkane") filed with the
19 Arizona Corporation Commission ("Commission") an application to extend its
20 Certificate of Convenience and Necessity ("CC&N") to provide electric service to
21 Colorado City, Arizona. According to its application, Garkane has entered into a
22 Memorandum of Understanding to purchase the utility assets of Colorado City,
23 Arizona, and Hildale, Utah ("the Twin Cities") and provide electric service to the
24 residents of the Twin Cities, including approximately 700 customers in Colorado City.
25 Garkane has stated that it will provide electric service to Colorado City residents using
26 its current Commission-approved tariffs and regulations and will use the tariffs'
27 wholesale power cost adjustment provision to adjust Colorado City's tariff rates
28 because there is a higher annual wholesale power cost to serve the Twin Cities than
exists for the remainder of Garkane's service area in Arizona and Utah.

The Commission's Utilities Division Staff ("Staff") is in the process of analyzing the
application and has not yet made any recommendations in this matter. The
Commission will determine whether to grant the application based on the evidence of
record in this matter. The Commission is not bound by the proposals made by
Garkane, Staff, or any intervenors.

How You Can View or Obtain a Copy of the Application and Other Documents

Copies of the application and the other documents filed in this matter are available at
Garkane's offices [**COMPANY INSERT ADDRESS HERE**]; 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

1 The Commission will hold a **hearing** in this matter beginning on **April 3, 2009**, at
 2 **9:30 a.m.**, in Room 100 at the Commission's offices, 1200 West Washington Street,
 3 Phoenix, Arizona. Public comments will be taken on the first day of the hearing.
 4 Written public comments may be submitted by mailing a letter referencing Docket No.
 5 E-01891A-08-0598 to Arizona Corporation Commission, Consumer Services Section,
 6 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 or 602-
 542-4251.

About Intervention

7 Any person or entity entitled by law to intervene and having a direct and substantial
 8 interest in the matter will be permitted to intervene. If you desire to intervene, you
 9 must file a written motion to intervene with the Commission no later than **March 25,**
2009. You must send a copy of the motion to intervene to Garkane or its counsel and
 to all parties of record. Your motion to intervene must contain the following:

- 10 1. Your name, address, and telephone number and the name, address, and
 11 telephone number of any party upon whom service of documents is to be made,
 if not yourself;
- 12 2. A short statement of your interest in the proceeding (e.g., a resident of
 Colorado City, etc.); and
- 13 3. A statement certifying that you have mailed a copy of the motion to intervene
 to Garkane or its counsel and to all parties of record in the case.

14 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
 15 that all motions to intervene must be filed on or before **March 25, 2009**. If
 16 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
 17 Court, intervention will be conditioned upon the intervenor's obtaining counsel to
 18 represent the intervenor. For information about requesting intervention, visit the
 Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.
 19 The granting of intervention, among other things, entitles a party to present sworn
 evidence at hearing and to cross-examine other witnesses. However, failure to
 intervene will not preclude any interested person or entity from appearing at the
 hearing and providing public comment on the application or from filing written
 comments in the docket for the case.

ADA/Equal Access Information

20 The Commission does not discriminate on the basis of disability in admission to its
 21 public meetings. Persons with a disability may request a reasonable accommodation
 22 such as a sign language interpreter and request this document in an alternative format
 23 by contacting the ADA Coordinator, Shaylin A. Bernal, at sabernal@azcc.gov, voice
 phone number (602) 542-3931. Requests should be made as early as possible to allow
 24 time to arrange the accommodation.

25 IT IS FURTHER ORDERED that Garkane shall, by **March 4, 2009**, mail a copy of the above
 26 notice to each property owner in the requested CC&N extension area and to each signatory of the
 27 MOU, by first-class U.S. Mail, and cause the above notice to be published in a newspaper of
 28 general circulation in Colorado City, Arizona.

1 IT IS FURTHER ORDERED that Garkane shall file **certification of mailing and**
2 **publication** as soon as practicable after mailing and publication has been completed, but no later than
3 **March 18, 2009.**

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

6 IT IS FURTHER ORDERED that Staff shall file its **Staff Report** and associated exhibits to
7 be presented at hearing by **March 18, 2009.**

8 IT IS FURTHER ORDERED that any objection or response to the Staff Report that Garkane
9 may have shall be made in writing and filed by **March 30, 2009.**

10 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
11 105, except that all motions to intervene must be filed by **March 25, 2009.**

12 IT IS FURTHER ORDERED that any objections to motions to intervene shall be filed by
13 **April 1, 2009.**

14 IT IS FURTHER ORDERED that intervenors shall file specific disagreements/comments, if
15 any, regarding the application and/or Staff Report by **March 30, 2009.**

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

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

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

24 ...

25 ...

26 ...

27 ...

28 ...

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

3 DATED this 10th day of February, 2009.

4
5 
6 SARAH N. HARPRING
7 ADMINISTRATIVE LAW JUDGE

8 Copies of the foregoing mailed/delivered
9 this 10th day of February, 2009, to:

10 Michael M. Grant
11 GALLAGHER & KENNEDY, P.A.
12 2575 East Camelback Road
13 Phoenix, AZ 85016-9225
14 Attorney for Garkane Energy Cooperative, Inc.

15 Janice Alward, Chief Counsel
16 Legal Division
17 ARIZONA CORPORATION COMMISSION
18 1200 West Washington Street
19 Phoenix, AZ 85007

20 Ernest G. Johnson, Director
21 Utilities Division
22 ARIZONA CORPORATION COMMISSION
23 1200 West Washington Street
24 Phoenix, AZ 85007

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

28 By: 
Debbi Person
Secretary to Sarah N. Harpring