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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

2009 MAY 21 A 9:00
AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED
MAY 21 2009

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WASTEWATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. SW-01428A-09-0103

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. W-01427A-09-0104

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On March 9, 2009, Litchfield Park Service Company ("LPSCO" or "Company") filed with the Arizona Corporation Commission ("Commission") applications for rate increases for wastewater and water service in the above-captioned dockets. LPSCO also filed Motions to Consolidate the dockets on the same date.

On April 8, 2009, the Commission's Utilities Division Staff ("Staff") filed Letters of Deficiency in both dockets indicating that LPSCO's application did not meet the sufficiency requirements of Arizona Administrative Code ("A.A.C.") R14-2-103.

On April 20, 27, and 30, 2009, LPSCO filed responses to the Letters of Insufficiency.

On May 8, 2009, Staff filed Letters of Sufficiency stating that LPSCO's applications, as supplemented by the subsequent filings, met the sufficiency requirements of A.A.C. R14-2-103. Staff classified LPSCO as a Class A utility.

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern

1 the preparation and conduct of this proceeding.

2 IT IS THEREFORE ORDERED that **the above-captioned dockets shall be consolidated.**

3 IT IS FURTHER ORDERED that a **hearing in the consolidated dockets shall be scheduled**
4 **to commence on January 4, 2010, at 10:00 a.m.,** at the Commission's offices, 1200 West
5 Washington Street, Hearing Room #1, Phoenix, Arizona 85007.

6 IT IS FURTHER ORDERED that a **pre-hearing conference shall be held on December 30,**
7 **2009, at 10:00 a.m.,** for the purpose of scheduling witnesses and the conduct of the hearing.

8 IT IS FURTHER ORDERED that the **Staff Report and/or any testimony** and associated
9 exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before
10 **November 4, 2009.**

11 IT IS FURTHER ORDERED that any **testimony and associated exhibits to be presented at**
12 **hearing on behalf of intervenors** shall be reduced to writing and filed on or before **November 4, 2009.**

13 IT IS FURTHER ORDERED that any **rebuttal testimony and associated exhibits to be**
14 **presented at hearing by LPSCO** shall be reduced to writing and filed on or before **December 4,**
15 **2009.**

16 IT IS FURTHER ORDERED that any **surrebuttal testimony and associated exhibits to be**
17 **presented by Staff or intervenors** shall be reduced to writing and filed on or before **December 21,**
18 **2009.**

19 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits to be**
20 **presented at the hearing on behalf of LPSCO** shall be reduced to writing and filed on or before
21 **December 28, 2009.**

22 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m. on the date the**
23 **filing is due, unless otherwise indicated above.**

24 IT IS FURTHER ORDERED that any **objections to testimony or exhibits that have been**
25 **prefiled as of December 28, 2009, shall be made before or at the December 30, 2009, pre-**
26 **hearing conference.**

27 IT IS FURTHER ORDERED that **each party shall individually prepare, and bring to the**
28

1 **December 30, 2009, pre-hearing conference, copies of an issues matrix setting forth all disputed**
2 **issues in the case. Each party's matrix shall indicate the position of each party on each**
3 **disputed issue and shall indicate whether the disputed issue remains in dispute or has been**
4 **resolved, in prefiled testimony or otherwise.**

5 IT IS FURTHER ORDERED that **all testimony filed shall include a table of contents** which
6 lists the issues discussed.

7 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
8 prefiled testimony, with the exception of rejoinder testimony, shall be reduced to writing and filed no
9 later than five calendar days before the witness is scheduled to testify. Substantive corrections,
10 revisions, or supplements to prefiled rejoinder testimony shall be reduced to writing and presented on
11 the first day of hearing.

12 IT IS FURTHER ORDERED that the parties shall prepare a brief, written summary of the
13 prefiled testimony of each of their witnesses and **shall file each summary at least two working**
14 **days before the witness is scheduled to testify.**

15 IT IS FURTHER ORDERED that copies of summaries shall be served upon the
16 Administrative Law Judge, the Commissioners, and the Commissioners' aides as well as the parties
17 of record.

18 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
19 except that **all motions to intervene must be filed on or before October 19, 2009.**

20 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
21 regulations of the Commission, except that until **December 7, 2009**, any objection to discovery
22 requests shall be made within 7 calendar days of receipt¹ and responses to discovery requests shall be
23 made within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made
24 within 5 calendar days and responses shall be made within 7 calendar days. The response time may
25 be extended by mutual agreement of the parties involved if the request requires an extensive
26 compilation effort.

27 _____
28 ¹ The date of receipt of discovery requests is not counted as a calendar day, and requests received after 4:00 p.m. MST will be considered as received the next business day.

1 IT IS FURTHER ORDERED that for discovery requests, objections, and answers, if a
2 receiving party requests service to be made electronically, and the sending party has the technical
3 capability to provide service electronically, service to that party shall be made electronically.

4 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
5 discovery, any party seeking resolution of a discovery dispute may telephonically contact the
6 Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery
7 dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and
8 that the party making such a request shall forthwith contact all other parties to advise them of the
9 hearing date and shall at the hearing provide a statement confirming that the other parties were
10 contacted.²

11 IT IS FURTHER ORDERED that any motions which are filed in this matter and which are
12 not ruled upon by the Commission within 20 calendar days of the filing date of the motion shall be
13 deemed denied.

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

16 IT IS FURTHER ORDERED that any replies shall be filed within five calendar days of the
17 filing date of the response.

18 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
19 this matter, in the following form and style with the heading in no less than 18-point bold type and
20 the body in no less than 10-point regular type:

21 **PUBLIC NOTICE OF HEARING ON THE APPLICATIONS OF LITCHFIELD PARK**
22 **SERVICE COMPANY FOR PERMANENT BASE RATE INCREASES FOR**
23 **WASTEWATER AND WATER SERVICE**
(DOCKET NOS. SW-01428A-09-0103 AND W-01427A-09-0104)

24 **Summary**

25 On March 9, 2009, Litchfield Park Service Company ("LPSCO" or "Company") filed
26 with the Arizona Corporation Commission ("Commission") applications for
27 permanent base rate increases for wastewater and water service provided within
28 LPSCO's service territory. These dockets have been consolidated for purposes of
hearing and consideration by the Commission. **LPSCO is requesting an increase in**

² The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

1 its current water utility revenues of \$7,509,328 (116 percent) and an increase in
2 its wastewater utility revenues of \$5,004,346 (78.7 percent).

3 As an example of the rate impact on customers, if the Company's proposal for a
4 water rate increase were to be adopted by the Commission in its entirety, a
5 residential customer served by a ¾-inch meter, with average usage of 9,537
6 gallons per month, would experience an increase from the current \$18.64 per
7 month to \$41.16 per month (\$22.52 increase per month, or approximately 120
8 percent). A residential customer served by a 1-inch meter, with average usage of
9 14,556 gallons per month, would experience an increase from the current \$31.56
10 per month to \$70.53 per month (\$38.97 increase per month, or approximately
11 123 percent), if LPSCO's proposal were to be adopted in its entirety.

12 As an example of the rate impact of LPSCO's application to increase wastewater
13 rates, if the Company's proposal were to be adopted by the Commission in its
14 entirety, a residential customer would experience an increase from the current
15 flat rate of \$27.20 per month to a flat rate of \$49.22 per month (\$22.02 increase
16 per month, or approximately 81 percent).

17 These examples are for illustrative purposes only, and the actual dollar and
18 percentage increases for individual customers would vary depending on the type
19 of customer served, and the quantity consumed for water service.

20 The Commission's Utilities Division Staff ("Staff") is in the process of auditing and
21 analyzing the application, and has not yet made any recommendations regarding
22 LPSCO's proposed rate increase. The Residential Utility Consumer Office is also a
23 party to this proceeding and will analyze the application and make recommendations
24 to the Commission. The Commission will determine the appropriate relief to be
25 granted based on the evidence presented by the parties. **The Commission is not
26 bound by the proposals made by LPSCO, Staff, or any other intervenors;
27 therefore, the final rates approved by the Commission may differ from the rates
28 requested by the Company.**

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

29 Copies of the application and proposed rates are available from LPSCO [COMPANY
30 INSERT HOW AND WHERE AVAILABLE] and at the Commission's Docket
31 Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection
32 during regular business hours and on the Internet via the Commission's website
33 (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

34 **The Commission will hold a hearing on this matter beginning January 4, 2010, at
35 10:00 a.m., at the Commission's offices, Hearing Room #1, 1200 West Washington
36 Street, Phoenix, Arizona. Public comments will be taken on the first day of the
37 hearing. Written public comments may be submitted by mailing a letter referencing
38 Docket Nos. SW-01428A-09-0103 and W-01427A-09-0104 to Arizona Corporation
39 Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ
40 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to
41 the Commission, go to
42 http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf. If you require
43 assistance, you may contact the Consumer Services Section at 1-800-222-7000.**

About Intervention

1 The law provides for an open public hearing at which, under appropriate
 2 circumstances, interested parties may intervene. Any person or entity entitled by law
 3 to intervene and having a direct and substantial interest in the matter will be permitted
 4 to intervene. If you wish to intervene, you must file an original and 13 copies of a
 5 written motion to intervene with the Commission no later than **October 19, 2009**, and
 6 send a copy of the motion to LPSCO or its counsel and to all parties of record. Your
 7 motion to intervene must contain the following:

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

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

26 ADA/Equal Access Information

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

IT IS FURTHER ORDERED that LPSCO shall mail to each of its customers a copy of the
 above notice as a bill insert beginning no later than the first billing cycle in **August 2009**, and shall
 cause a copy of such notice to be published at least once in a newspaper of general circulation in the
 Company's service territory, with publication to be completed no later than **August 31, 2009**.

IT IS FURTHER ORDERED that LPSCO shall file certification of mailing/publication as
 soon as practicable after the mailing/publication has been completed.

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

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

4 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
5 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
6 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances
7 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is
8 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
9 Administrative Law Judge or the Commission.

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

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

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

18 DATED this 21st day of May, 2009.

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21 _____
22 DWIGHT D. NODES
23 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

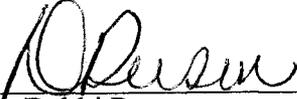
24 Copies of the foregoing mailed/delivered
25 This 21st day of May, 2009 to:

26 Jay L. Shapiro
27 Todd C. Riley
28 FENNEMORE CRAIG, PC
3003 N. Central Ave., Suite 2600
Phoenix, AZ 85012
Attorneys for Litchfield Park Service Co.

1 Janice Alward, Chief Counsel
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1200 West Washington Street
3 Phoenix, AZ 85007

4 Ernest G. Johnson, Director
Utilities Division
5 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
6 Phoenix, AZ 85007

7 ARIZONA REPORTING SERVICE, INC.
2200 North Central Avenue, Suite 502
8 Phoenix, AZ 85004

9
10 By: 
Debbi Person
Assistant to Dwight D. Nodes

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