



0000099528

FOR THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

Arizona Corporation Commission

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

2009 JUN 18 A 10:01

DOCKETED

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF
UNS ELECTRIC, INC. FOR THE
ESTABLISHMENT OF JUST AND REASONABLE
RATES AND CHARGES DESIGNED TO
REALIZE A REASONABLE RATE OF RETURN
ON THE FAIR VALUE OF THE PROPERTIES OF
UNS ELECTRIC, INC. DEVOTED TO ITS
OPERATIONS THROUGHOUT THE STATE OF
ARIZONA.

DOCKET NO. E-04204A-09-0206

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On April 30, 2009, UNS Electric, Inc. ("UNS" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a rate increases for electric service in the above-captioned docket.

On May 26, 2009, UNS filed a Notice of Errata, revising Schedules H-3 and H-4 of the application.

On May 29, 2009, the Commission's Utilities Division Staff ("Staff") filed a Letter of Sufficiency in the docket indicating that UNS' application had meet the sufficiency requirements of Arizona Administrative Code ("A.A.C.") R14-2-103. Staff classified UNS as a Class A utility.

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that a **hearing in this matter shall commence on February 4, 2010, at 10:00 a.m.**, at the Commission's offices, 1200 West Washington, Phoenix, Arizona 85007.

IT IS FURTHER ORDERED that a **telephonic pre-hearing conference shall be held on January 29, 2010, at 10:00 a.m.**, at the Commission's Tucson Offices, Room 222, 400 West Congress, Tucson, Arizona, for the purpose of scheduling witnesses and the conduct of the hearing.

1 **Parties wishing to participate telephonically shall contact the Hearing Division at (602) 542-**
2 **4250 prior to the Pre-hearing Conference date to obtain instructions.**

3 IT IS FURTHER ORDERED that **direct testimony** and associated exhibits (except that
4 related to rate design and cost of service) to be presented at hearing on behalf of Staff shall be
5 reduced to writing and filed on or before **October 30, 2009**.

6 IT IS FURTHER ORDERED that any **direct testimony** and associated exhibits (except that
7 related to rate design and cost of service) to be presented at hearing on behalf of intervenors shall be
8 reduced to writing and filed on or before **October 30, 2009**.

9 IT IS FURTHER ORDERED that **direct testimony** and associated exhibits **related to rate**
10 **design and cost of service** to be presented at hearing on behalf of Staff and intervenors shall be
11 reduced to writing and filed on or before **November 11, 2009**.

12 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be
13 presented at hearing by the Company shall be reduced to writing and filed on or before **December**
14 **11, 2009**.

15 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be
16 presented by the Staff or intervenors shall be reduced to writing and filed on or before **January 15,**
17 **2010**.

18 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits** to be
19 presented at hearing by the Company shall be reduced to writing and filed on or before noon **January**
20 **25, 2009**.

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

23 IT IS FURTHER ORDERED that any **objections to testimony or exhibits that have been**
24 **prefiled as of January 25, 2020, shall be made before or at the January 29, 2010, pre-hearing**
25 **conference.**

26 IT IS FURTHER ORDERED that **each party shall individually prepare, and bring to the**
27 **January 29, 2010, pre-hearing conference, copies of an issues matrix setting forth all disputed**
28 **issues in the case. Each party's matrix shall indicate the position of each party on each**

1 **disputed issue and shall indicate whether the disputed issue remains in dispute or has been**
2 **resolved, in prefiled testimony or otherwise.**

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

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

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

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

16 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
17 except that **all motions to intervene must be filed on or before September 30, 2009.**

18 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
19 regulations of the Commission, except that until December 14, 2009, any objection to discovery
20 requests shall be made within 7 calendar days of receipt¹ and responses to discovery requests shall be
21 made within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made
22 within 5 calendar days and responses shall be made within 7 calendar days. The response time may
23 be extended by mutual agreement of the parties involved if the request requires an extensive
24 compilation effort.

25 IT IS FURTHER ORDERED that for discovery requests, objections, and answers, if a
26 receiving party requests service to be made electronically, and the sending party has the technical

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 capability to provide service electronically, service to that party shall be made electronically.

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

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

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

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

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

19 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF**
20 **UNS ELECTRIC, INC.**
21 **FOR A RATE INCREASE FOR ELECTRIC SERVICE**
(DOCKET NO. E-04204A-09-0206)

22 **Summary**

23 On April 30, 2009, UNS Electric, Inc. ("UNS" or "Company") filed with the Arizona
24 Corporation Commission ("Commission") an application for a rate increase for
25 electric service in the above-captioned docket. **UNS is requesting an increase in its
26 current base rates for electric service of approximately \$13,500,000, or 7.5
percent. In addition, UNS is seeking to increase the differential between peak and
non-peak rates in its Time-of-Use Tariffs and is proposing to change its low-
income programs in order to hold those of its CARES customers using less than
945 kWh per month harmless from the proposed increase.**

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 If the Company's proposal for its rates were to be adopted by the Commission in
2 its entirety, the Company estimates that the annual bill (excluding charges for the
3 Renewable Energy Standard, Demand Side Management and applicable taxes
4 and fees) for the median residential customer using an average 681 kWh per
5 month would be \$905.14, a decrease of \$68.47, or 7.0 percent from the annual bill
6 of \$973.61 prior to June 2009. The projected decrease is due to the combined
7 effect of a 21.2 percent decrease attributable to the reset of the Company's
8 Purchased Power and Fuel Adjustor in June 2009 and its requested 18 percent
9 increase in its base rates. The Company anticipates that in June 2010, the
10 PPFAC would be reset again, resulting in an 18.7 percent increase in the Total
11 Average Retail Rate, if its rates are adopted.

12 This example is for illustrative purposes only, and the actual dollar and
13 percentage changes for individual customers would vary depending on the type
14 of customer served, and the quantity consumed for water service.

15 If you have any questions concerning how the Company's rate proposal will affect
16 your bill or have other substantive questions about this application, you may contact
17 the Company at: [COMPANY SHOULD INSERT NAME, ADDRESS,
18 TELEPHONE NUMBER, AND E-MAIL ADDRESS FOR CUSTOMER
19 CONTACTS CONCERNING THE APPLICATION].

20 The Commission's Utilities Division Staff has not yet made a recommendation
21 regarding the Company's rate increase proposal, and the Commission will determine
22 the appropriate rate relief to be granted based on the evidence of record in this
23 proceeding. The Commission is not bound by the proposals made by the Company,
24 Staff, or any intervenors and, therefore, the final rates approved in this docket may be
25 lower or higher than the rates described above.

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

27 Copies of the application and proposed rates are available from UNS [COMPANY
28 INSERT HOW AND WHERE AVAILABLE] and at the Commission's Docket
Control Center at 1200 West Washington, Phoenix, Arizona, and in its Tucson offices,
400 West Congress, Room 218, Tucson, 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.

29 **Arizona Corporation Commission Public Hearing Information**

30 **The Commission will hold a hearing on this matter beginning February 4, 2010,**
31 **at 10:00 a.m.,** at the Commission's offices, Hearing Room #1, 1200 West Washington
32 Street, Phoenix, Arizona. Public comments will be taken on the first day of the
33 hearing. Written public comments may also be submitted by mailing a letter
34 referencing Docket No. E-04204A-09-0206 to Arizona Corporation Commission,
35 Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-
36 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.

37 **About Intervention**

38 The law provides for an open public hearing at which, under appropriate
circumstances, interested parties may intervene. Any person or entity entitled by law

1 to intervene and having a direct and substantial interest in the matter will be permitted
 2 to intervene. If you wish to intervene, you must file an original and 13 copies of a
 3 written motion to intervene with the Commission no later than **September 30, 2009**,
 4 and send a copy of the motion to UNS or its counsel and to all parties of record. Your
 5 motion to intervene must contain the following:

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

13 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
 14 that all motions to intervene must be filed on or before September 30, 2009. If
 15 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
 16 Court, intervention will be conditioned upon the intervenor obtaining counsel to
 17 represent the intervenor. For information about requesting intervention, visit the
 18 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
 20 evidence at hearing and to cross-examine other witnesses. However, failure to
 21 intervene will not preclude any interested person or entity from appearing at the
 22 hearing and providing public comment on the application or from filing written
 23 comments in the record of the case.

24 **ADA/Equal Access Information**

25 The Commission does not discriminate on the basis of disability in admission to its
 26 public meetings. Persons with a disability may request a reasonable accommodation
 27 such as a sign language interpreter, as well as request this document in an alternative
 28 format, by contacting the ADA Coordinator, Guadalupe Ortiz, E-mail
 gortiz@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 UNS 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 July 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 15, 2009**.

IT IS FURTHER ORDERED that UNS 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.

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

1 *pro hac vice.*

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

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

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

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

16 DATED this 17th day of June, 2009.

17
18
19 
20 JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

21 Copies of the foregoing mailed/delivered
22 This 17 day of June, 2009 to:


23 Michael W. Patten
24 ROSKHA, DEWULF & PATTEN PLC
25 One Arizona Center
26 400 E. Van Buren, Suite 800
Phoenix, AZ 85004
Attorneys for UNS Electric, Inc.

Philip J. Dion
Michelle Livengood
UniSource Energy Services
One S. Church Ave
Tucson, AZ 85701

1 Janice Alward, Chief Counsel
2 Legal Division
3 ARIZONA CORPORATION COMMISSION
4 1200 West Washington Street
5 Phoenix, AZ 85007

6 Ernest G. Johnson, Director
7 Utilities Division
8 ARIZONA CORPORATION COMMISSION
9 1200 West Washington Street
10 Phoenix, AZ 85007

11 ARIZONA REPORTING SERVICE, INC.
12 2200 North Central Avenue, Suite 502
13 Phoenix, AZ 85004

14 By: 
15 Julio Ibarra
16 Secretary to Jane L. Rodda
17
18
19
20
21
22
23
24
25
26
27
28