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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

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

AUG - 3 2009

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF
GRAHAM COUNTY UTILITIES, INC. WATER
DIVISION FOR A RATE INCREASE.

DOCKET NO. W-02527A-09-0201

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On April 27, 2009, Graham County Utilities, Inc. Water Division ("GCU" or "Cooperative") filed the above-captioned rate application with the Arizona Corporation Commission ("Commission").

On May 27, 2009, the Commission's Utilities Division Staff ("Staff") notified the Cooperative that its application was not sufficient under the requirements of the Arizona Administrative Code.

The Cooperative filed additional information on June 26, 2009.

On July 27, 2009, Staff notified the Cooperative that its rate application was sufficient, and classified the Cooperative as a Class C 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 the hearing in the above-captioned matter shall commence on **January 28, 2010, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices, **Room 222**, 400 West Congress, Tucson, Arizona 85701.

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

IT IS FURTHER ORDERED that any **direct testimony** and associated exhibits to be

1 presented at hearing on behalf of intervenors shall be reduced to writing and filed on or before
2 **December 9, 2009.**

3 IT IS FURTHER ORDERED that any **response to the Staff Report** or rebuttal testimony and
4 associated exhibits to be presented at hearing by the Cooperative shall be reduced to writing and filed
5 on or before **January 6, 2010.**

6 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be
7 presented by the Staff and/or intervenors shall be reduced to writing and filed on or before **January**
8 **20, 2009.**

9 IT IS FURTHER ORDERED that any **rejoinder testimony** and associated exhibits shall be
10 presented at the hearing.

11 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have
12 been prefiled as of January 20, 2010, shall be made on or before January 26, 2010.

13 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
14 pre-filed testimony shall be reduced to writing and filed no later than five days before the witness is
15 scheduled to testify.

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 November 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 through December 31, 2009, any objection to discovery
20 requests shall be made within 7 days¹ of receipt and responses to discovery requests shall be made
21 within 10 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and
22 responses shall be made in 7 days;¹ the response time may be extended by mutual agreement of the
23 parties involved if the request requires an extensive compilation effort.

24 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
25 discovery, any party seeking discovery may telephonically contact the Commission's Hearing
26 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a
27

28 ¹ "Days" means calendar days.

1 request, a procedural hearing will be convened as soon as practicable; and that the party making such
2 a request shall forthwith contact all other parties to advise them of the hearing date and shall at the
3 hearing provide a statement confirming that the other parties were contacted.²

4 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by
5 the Commission within 20 days of the filing date of the motion shall be deemed denied.

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

8 IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date
9 of the response.

10 IT IS FURTHER ORDERED that the Cooperative shall provide public notice of the hearing
11 in this matter, in the following type size, form and style with the heading in no less than 14 point bold
12 type and the body in no less than 10-point regular type:

13 **PUBLIC NOTICE OF HEARING ON THE**
14 **RATE APPLICATION OF**
15 **GRAHAM COUNTY UTILITIES, INC.**
WATER DIVISION
Docket No. W-02527A-09-0201

16 On April 27, 2009, Graham County Utilities, Inc. Water Division (“GCU” or
17 “Cooperative”) filed an application with the Arizona Corporation Commission
18 (“Commission”) for an increase in annual revenues of \$144,000, an approximate 24
19 percent increase in annual revenue over its 2008 revenues. Under the rates proposed
20 by the Cooperative, a residential customer using an average of 9,000 gallons per
21 month would experience a monthly increase of \$8.98, or 22.59 percent, from \$39.75 to
22 \$48.73. Commercial customers using 15,000 gallons for month would experience a
23 monthly increase of \$13.30, or 21.71 percent, from \$61.25 to \$74.55. **Customers
24 using less or more than the average per month will experience a higher or lower
25 percent increase depending on their usage.**

26 If you have any questions concerning how the Cooperative’s rate proposal will affect
27 your bill or have other substantive questions about this application, you may contact
28 the Cooperative at: **[COOPERATIVE SHOULD INSERT NAME, ADDRESS,
TELEPHONE NUMBER, AND E-MAIL ADDRESS FOR CUSTOMER
CONTACTS CONCERNING THE APPLICATION].**

The Commission’s Utilities Division Staff has not yet made a recommendation
regarding the Cooperative’s rate increase proposal, and the Commission will

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

1 determine the appropriate rate relief to be granted based on the evidence of record in
2 this proceeding. The Commission is not bound by the proposals made by the
3 Cooperative, Staff, or any intervenors and, therefore, the final rates approved in this
4 docket may be lower or higher than the rates described above.

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

6 Copies of the application and proposed tariffs are available at the Cooperative's
7 offices [INSERT ADDRESS] and at the Commission's Docket Control Center at
8 1200 West Washington, Phoenix, Arizona and its Tucson office, 400 West Congress,
9 Suite 218, Tucson, Arizona and on the internet via the Commission website
10 ([/www.azcc.gov/](http://www.azcc.gov/)) using the e-docket function.

11 Public Hearing Information

12 The Commission will hold a **hearing** on this matter beginning **January 28, 2010, at**
13 **10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress, Tucson,
14 Arizona.

15 Public comments will be taken at the beginning of the first day of the hearing. Written
16 public comments may be submitted by mailing a letter referencing Docket No. W-
17 02527A-09-0201 to Arizona Corporation Commission, Consumer Services Section,
18 1200 West Washington, Phoenix, AZ 85007, or by email. For a form to use and
19 instructions on how to e-mail comments to the Commission, go to
20 <http://www.azcc.gov/divisions/utilities/forms/publiccomment.pdf>. If you require
21 assistance, you may contact the Consumer Services Section at 1-800-222-7000 or
22 (520) 628-6550.

23 About Intervention

24 The law provides for an open public hearing at which, under appropriate
25 circumstances, interested parties may intervene. Any person or entity entitled by law
26 to intervene and having a direct and substantial interest in the matter will be permitted
27 to intervene. If you wish to intervene, you must file an original and 13 copies of a
28 written motion to intervene with the Commission no later than **November 30, 2009**,
and a copy of the motion to GCU or its counsel and to all parties of record. Your
motion must contain the following:

1. Your name, address, and telephone number and the name, address and telephone number of any party upon whom service of documents is to be made, if not yourself.
2. A short statement of your interest in the proceeding (e.g., a customer of the Cooperative, a landowner in the service area, etc.).
3. A statement certifying that you have mailed a copy of the motion to intervene to the Cooperative or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before November 30, 2009. If representation by 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. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/iinterven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to

1 intervene will not preclude any interested person or entity from appearing at the
2 hearing and providing public comment on the application or from filing written
3 comments in the record of the case.

4 **ADA/Equal Access Information**

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

11 IT IS FURTHER ORDERED that the Cooperative shall **mail** to each of its customers a copy
12 of the above notice by **September 15, 2009**, and shall cause the above notice to be published at least
13 once in a newspaper of local circulation in its service territory, with publication to be completed no
14 later than **September 30, 2009**.

15 IT IS FURTHER ORDERED that the Cooperative shall file certification of mailing and
16 publication as soon as practicable after they have been completed.

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

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

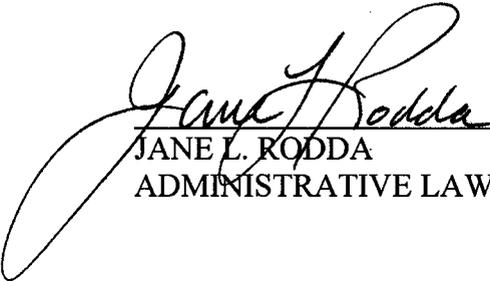
23 IT IS FURTHER ORDERED that all parties must comply with Rule 33 (c) and (d) of the
24 Rules of the Arizona Supreme Court with respect to practice of law and admission pro hac vice.

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

1 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
2 pursuant to Rule 6(a) or (3) of the Rules of Civil Procedure.

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

5 DATED this 29th day of July, 2009.

6
7
8 
9 JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

10 Copies of the foregoing mailed
11 this 29th day of July, 2009 to:

12 John V. Wallace
13 GCSECA
120 North 44th Street, suite 100
Phoenix, AZ 85034

14 Russ Barney
15 Graham County Electric Cooperative, Inc.
16 P.O. Drawer B
Pima, AZ 85543

17 Janice Alward, Chief Counsel
18 Legal Division
ARIZONA CORPORATION COMMISSION
1200 W. Washington Street
Phoenix, Arizona 85007

19 Director
20 Utilities Division
ARIZONA CORPORATION COMMISSION
21 1200 W. Washington Street
Phoenix, Arizona 85007

22 Arizona Reporting Service, Inc.
23 2200 N. Central Avenue, Suite 502
24 Phoenix, Arizona 85004-1481

25
26 By: 
27 Julio Ibara
Secretary to Jane L. Rodda
28