

ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

2009 DEC 30 A 9:36

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED

DEC 30 2009

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
SOUTHLAND UTILITIES COMPANY, INC. FOR
AUTHORITY TO INCUR LONG-TERM DEBT.

DOCKET NO. W-02062A-09-0466

IN THE MATTER OF THE APPLICATION OF
SOUTHLAND UTILITIES COMPANY, INC. FOR
A RATE INCREASE.

DOCKET NO. W-02062A-09-0515

PROCEDURAL ORDER

BY THE COMMISSION:

On September 29, 2009, Southland Utilities Company, Inc. ("Southland" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for authority to incur long-term debt ("Financing Application").

On November 3, 2009, the Company filed an Affidavit of Mailing indicating that the notice of the Financing Application had been mailed to Southland's customers on October 28, 2009.

On November 5, 2009, Southland filed with the Commission an application for a rate increase.

On November 23, 2009, Southland filed an amended rate application (together with the original rate application, the "Rate Application").

On December 11, 2009, the Company filed a Motion to Consolidate in the Rate Application docket.

On December 18, 2009, the Commission's Utilities Division Staff ("Staff") filed its Sufficiency Letter indicating that Southland's Rate Application is sufficient under the Arizona Administrative Code ("A.A.C."), and classified the Company as a Class C utility.

On December 23, 2009, Southland filed a Motion to Consolidate in the Financing Application docket.

1 On December 28, 2009, a Procedural Order was issued directing consolidation of the two
2 dockets.

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

5 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
6 commence on **June 15, 2010, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's
7 offices, **Room 222, 400 West Congress, Tucson, Arizona 85701.**

8 IT IS FURTHER ORDERED that a **telephonic Pre-Hearing Conference** shall commence on
9 **June 10, 2010, at 9:00 a.m.**, for the purpose of scheduling witnesses and the conduct of the hearing.
10 The parties shall contact the Hearing Division on **June 3, 2010, at 602-542-4250 for further**
11 **information regarding the call-in phone number.** Parties may also attend in person at the
12 Commission's Tucson offices, Room 218, 400 West Congress Street, Tucson, Arizona 85701.

13 IT IS FURTHER ORDERED that the **Staff Report** and/or any testimony and associated
14 exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before
15 **April 30, 2010.**

16 IT IS FURTHER ORDERED that any **testimony** and associated exhibits to be presented at
17 hearing on behalf of **intervenors** shall be reduced to writing and filed on or before **April 30, 2010.**

18 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be
19 presented at hearing by the Company shall be reduced to writing and filed on or before **May 21,**
20 **2010.**

21 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be
22 presented by the Staff or intervenors shall be reduced to writing and filed on or before **June 4, 2010.**

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

25 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have
26 been pre-filed as of October 13, 2009, shall be made before or at the **June 10, 2010,** pre-hearing
27 conference.

28 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to

1 pre-filed testimony shall be reduced to writing and filed no later than five days before the witness is
2 scheduled to testify.

3 IT IS FURTHER ORDERED that the parties shall prepare a brief, written summary of the
4 pre-filed testimony of each of their witnesses and shall file each summary at least two working days
5 before the witness is scheduled to testify.

6 IT IS FURTHER ORDERED that copies of summaries should be served upon the
7 Administrative Law Judge, the Commissioners, and the Commissioners' aides as well as the parties
8 of record.

9 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
10 except that all motions to intervene must be filed on or before April 30, 2010.

11 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
12 regulations of the Commission, except that: until May 14, 2010, any objection to discovery requests
13 shall be made within 7 days¹ of receipt and responses to discovery requests shall be made within 10
14 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and responses
15 shall be made in 7 days; the response time may be extended by mutual agreement of the parties
16 involved if the request requires an extensive compilation effort.

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

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

26
27 ¹ "Days" means calendar days.

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

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

5 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
6 this matter in the following form and style:

7 **PUBLIC NOTICE OF HEARING ON THE**
8 **RATE APPLICATION AND FINANCING APPLICATION OF**
9 **SOUTHLAND UTILITIES COMPANY, INC.,**
10 **DOCKET NOS. W-02062A-09-0466 AND W-02062A-09-0515**

11 On September 29, 2009, Southland Utilities Company, Inc. ("Company") filed an
12 application with the Arizona Corporation Commission ("Commission") for authority
13 to incur long-term debt in the amount of \$2,233,796 to finance water system
14 improvements.

15 On November 5, 2009, the Company filed an application with the Commission for a
16 rate increase and on November 23, 2009, the Company filed an amended rate
17 application. In the amended rate application, the Company requests an approximate
18 364.73 percent increase in revenue (\$512,124). Under the Company's proposal, the
19 typical residential customer on a 5/8 x 3/4-inch meter, using an average of 6,412
20 gallons per month, would experience a monthly increase of \$60.12, or 334.37 percent,
21 from \$17.98 to \$78.10, and the typical residential customer on a 5/8 x 3/4-inch meter,
22 using a median of 4,256 gallons per month, would experience a monthly increase of
23 \$52.78, or 344.52 percent, from \$15.32 to \$68.10.

24 If you have any questions concerning how the Company's financing and/or rate
25 proposals will affect your bill or have other substantive questions about this
26 application, you may contact the Company at: **[COMPANY SHOULD INSERT
27 NAME, ADDRESS, TELEPHONE NUMBER, AND E-MAIL ADDRESS FOR
28 CUSTOMER CONTACTS CONCERNING THE APPLICATION].**

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

How You Can View or Obtain a Copy of the Financing and/or Rate Proposals

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

1 using the e-docket function.

2 **Public Hearing Information**

3 The Commission will hold a **hearing** on this matter beginning **June 15, 2010, at 10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress, Tucson, Arizona.

4 Public comments will be taken at the beginning of the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket Nos. W-02062A-09-0466 and W-02062A-09-0515 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by email. 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 (520) 628-6550.

8 **About Intervention**

9 The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission no later than **April 30, 2010**, and a copy of the motion to CWCGV or its counsel and to all parties of record. Your motion must contain the following:

- 13 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.
- 15 2. A short statement of your interest in the proceeding (e.g., a customer of the Company, a shareholder of the Company, etc.).
- 17 3. A statement certifying that you have mailed a copy of the motion to intervene to the Company or its counsel and to all parties of record in the case.

18 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 April 30, 2010. 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 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 record of the case.

24 **ADA/Equal Access Information**

25 The Commission does not discriminate on the basis of disability in admission to its 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.

1 IT IS FURTHER ORDERED that the Company shall **mail** to each of its customers a copy of
2 the above notice by **February 5, 2010**, and shall cause a copy of such notice to be published at least
3 once in newspaper of general circulation in its service territory, with **publication** to be completed no
4 later than **February 19, 2010**.

5 IT IS FURTHER ORDERED that the Company shall file certification of mailing and
6 publication no later than **March 5, 2010**.

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

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

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

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

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

23 ...

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 29th day of December, 2009.

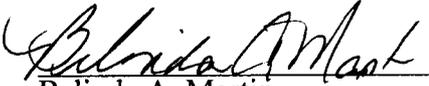
4 
5 BELINDA A. MARTIN
6 ADMINISTRATIVE LAW JUDGE

7 Copies of the foregoing mailed/delivered
8 this 29th day of December, 2009 to:

9 Steve Wene, Esq.
10 MOYES STOREY, LTD
11 1840 North Central Avenue, Suite 1100
12 Phoenix, Arizona 85004

13 Janice Alward, Chief Counsel
14 Legal Division
15 ARIZONA CORPORATION COMMISSION
16 1200 West Washington Street
17 Phoenix, Arizona 85007

18 Steven M. Olea, Director
19 Utilities Division
20 ARIZONA CORPORATION COMMISSION
21 1200 West Washington Street
22 Phoenix, Arizona 85007

23 By: 
24 Belinda A. Martin
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26
27
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