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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

OCT 28 2009

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF SAHUARITA WATER COMPANY LLC FOR A RATE INCREASE.

DOCKET NO. W-03718A-09-0359

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On July 17, 2009, Sahuarita Water Company LLC ("SWC" or "Company") filed the above-captioned rate application with the Arizona Corporation Commission ("Commission").

On August 14, 2009, and September 14, 2009, the Commission's Utilities Division ("Staff") notified the Company that its application was not sufficient under the requirements of the Arizona Administrative Code.

The Company filed additional information on August 21, 2009 and August 31, 2009.

On September 30, 2009, Staff notified the Company that its rate application was sufficient, and classified the Company as a Class B 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 **June 17, 2009^{MA}, 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 a **pre-hearing conference shall be held on June 14, 2010, at 10:00 a.m.**, at the Commission's Tucson Offices, Room 222, 400 West Congress, Tucson, Arizona, 85701 for the purpose of scheduling witnesses and the conduct of the hearing.

IT IS FURTHERED ORDERED that a **Public Comment meeting** in or near the local service

1 area will commence on **March 11, 2010, at 6:00 p.m.**, or as soon thereafter as is practical, at the
2 **Town of Sahuarita Municipal Complex, Town Hall Council Chamber, 375 W. Sahuarita**
3 **Center Way, Sahuarita, Arizona 85629.**

4 IT IS FURTHER ORDERED that any **direct testimony (except that related to rate design**
5 **and cost of service)** and associated exhibits to be presented at hearing on behalf of **Staff** shall be
6 reduced to writing and filed on or before **March 25, 2010.**

7 IT IS FURTHER ORDERED that any **direct testimony (except that related to rate design**
8 **and cost of service)** and associated exhibits to be presented at hearing on behalf of **intervenors** shall
9 be reduced to writing and filed on or before **March 25, 2010.**

10 IT IS FURTHER ORDERED that any **direct testimony related rate design and cost of**
11 **service** and associated exhibits to be presented at hearing on behalf of **Staff and Intervenors** shall be
12 reduced to writing and filed on or before **April 1, 2010.**

13 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be
14 presented at hearing by the **Company** shall be reduced to writing and filed on or before **April 26,**
15 **2010.**

16 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be
17 presented by the Staff and/or intervenors shall be reduced to writing and filed on or before **May 19,**
18 **2010.**

19 IT IS FURTHER ORDERED that any **rejoinder testimony** and associated exhibits to be
20 presented at the hearing by the Company shall be reduced to writing and filed on or before **June 9,**
21 **2010.**

22 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have
23 been prefiled as of June 9, 2010, shall be made on or before the Pre-Haring Conference.

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

27 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
28 105, except that all motions to intervene must be **filed on or before March 15, 2010.**

1 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
2 regulations of the Commission, except that through April 30, 2010, any objection to discovery
3 requests shall be made within 7 days¹ of receipt and responses to discovery requests shall be made
4 within 10 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and
5 responses shall be made in 7 days;¹ the response time may be extended by mutual agreement of the
6 parties involved if the request requires an extensive compilation effort.

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

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

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

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

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

22 **PUBLIC NOTICE OF HEARING ON THE**
23 **RATE APPLICATION OF**
24 **SAHUARITA WATER COMPANY LLC**
Docket No. W-03718A-09-0359

25 On July 17, 2009, Sahuarita Water Company LLC ("SWC" or "Company") filed an
26 application with the Arizona Corporation Commission ("Commission") for an increase
in annual revenues of \$1,162,216, an approximate 52.47 percent increase in annual

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 revenue over its 2008 revenues. Under the rates proposed by the Company a
2 residential customer using an average of 5,424 gallons per month would experience a
3 monthly increase of \$17.10, or 63 percent, from \$27.12 to \$44.22. **Customers using**
4 **less or more than the average per month will experience a lower or higher**
5 **percent increase depending on their usage.** Under the Company's proposal, other
6 rate class customers would experience varying percentage increases depending on their
7 meter size and usage.

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

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

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

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

25 **Public Hearing Information**

26 The Commission will hold a **hearing** on this matter beginning **June 17, 2010, at**
27 **10:00 a.m.**, at the Commission's Tucson offices, Room 222, 400 West Congress,
28 Tucson, Arizona, 85701.

29 **Public Comment Meeting**

30 In addition, the Commission will hold a **Public Comment meeting** on **March 11,**
31 **2010, commencing at 6:00 p.m.** at the **Town of Sahuarita Municipal Complex,**
32 **Town Hall Council Chamber, 375 W. Sahuarita Center Way, Sahuarita, Arizona**
33 **85629.**

34 Public comments will also be taken at the beginning of the first day of the hearing.
35 Written public comments may be submitted by mailing a letter referencing Docket No.
36 W-03718A-09-0359 to Arizona Corporation Commission, Consumer Services
37 Section, 1200 West Washington, Phoenix, AZ 85007, or by email. For a form to use
38 and instructions on how to e-mail comments to the Commission, go to
39 <http://www.azcc.gov/divisions/utilities/forms/publiccomment.pdf>. If you require
40 assistance, you may contact the Consumer Services Section at 1-800-222-7000 or
41 (520) 628-6550.

42 **About Intervention**

43 The law provides for an open public hearing at which, under appropriate
44 circumstances, interested parties may intervene. Any person or entity entitled by law
45 to intervene and having a direct and substantial interest in the matter will be permitted

1 to intervene. If you wish to intervene, you must file an original and 13 copies of a
 2 written motion to intervene with the Commission no later than **March 15, 2010**, and a
 copy of the motion to SWC or its counsel and to all parties of record. Your motion
 must contain the following:

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

9 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
 10 that all motions to intervene must be filed on or before March 15, 2010. If
 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
 11 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>.
 12 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
 13 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
 14 comments in the record of the case.

15 **ADA/Equal Access Information**

16 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
 17 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
 18 Sbernal@azcc.gov, voice phone number 602/542-3931. Requests should be made as
 early as possible to allow time to arrange the accommodation.

19 IT IS FURTHER ORDERED that the Company shall **mail** to each of its customers a copy of
 20 the above notice by **December 15, 2009**, and shall cause the above notice to be published at least
 21 once in a newspaper of general circulation in its service territory, with **publication to be completed**
 22 **no later than December 15, 2009**.

23 IT IS FURTHER ORDERED that the Company shall file certification of mailing and
 24 publication as soon as practicable after they have been completed.

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

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

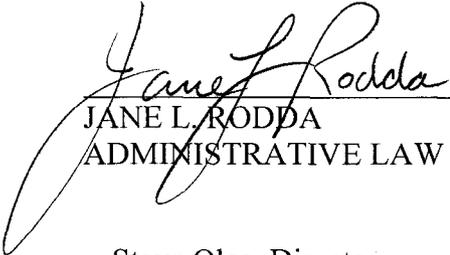
4 IT IS FURTHER ORDERED that all parties must comply with Rule 33 (c) and (d) of the
5 Rules of the Arizona Supreme Court with respect to practice of law and admission pro hac vice.

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

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

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

16 DATED this 27th day of October, 2009.

17
18
19 
20 JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

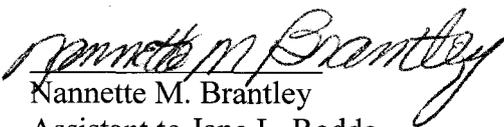
21 Copies of the foregoing mailed
this 27th day of October, 2009 to:

22 Lawrence V. Robertson Jr.
23 PO Box 1448
24 Tubac, Arizona 85646
Attorney for SWC

25 Janice Alward, Chief Counsel
26 Legal Division
27 ARIZONA CORPORATION COMMISSION
1200 W. Washington Street
Phoenix, Arizona 85007

Steve Olea, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
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