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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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

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AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF SONOITA VALLEY WATER COMPANY FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-20435A-09-0296

IN THE MATTER OF THE APPLICATION OF SONOITA VALLEY WATER COMPANY FOR AUTHORITY TO INCUR DEBT TO FINANCE WATER SYSTEM IMPROVEMENTS.

DOCKET NO. W-20435A-09-0298

PROCEDURAL ORDER

BY THE COMMISSION:

On June 4, 2009, Sonoita Valley Water Company ("SVWC" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase.

On June 4, 2009, SVWC filed an application for approval to incur debt to finance water system improvements.

On August 18, 2009, the Commission's Utilities Division ("Staff") notified the Company that its rate application was sufficient under the requirements of A.A.C. R14-2-103, and classified the Company as a Class D utility.

By Procedural Order dated July 22, 2009, the rate case and finance application were consolidated.

On December 1, 2009, Staff filed its Staff Report, recommending rates different than those proposed by the Company.

On December 10, 2009, The Company filed a Response to the Staff Report.

On December 18, 2009, Staff and the Company appeared through counsel at a telephonic Procedural Conference.

Although the Commission could consider these matters without a hearing, these applications have raised issues that are best addressed in a hearing.

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

3 IT IS THEREFORE ORDERED that **the hearing** in the above-captioned matter shall
4 commence on **January 22, 2010 at 10:00 a.m.**, or as soon thereafter as is practical, at the
5 Commission's offices, **Room 222**, 400 West Congress, Tucson, Arizona 85701.

6 IT IS FURTHER ORDERED that **any additional comments and/or exhibits to be**
7 **presented at the hearing shall be filed** on or before **January 15, 2010**.

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

10 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
11 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
14 **PUBLIC NOTICE OF HEARING ON THE**
15 **RATE AND FINANCE APPLICATIONS OF**
16 **SONOITA VALEY WATER COMPANY**
Docket Nos. W-20435A-09-0296
W-20435A-09-0298

17 On June 4, 2009, Sonoita Valley Water Company ("SVWC" or "Company") filed an
18 application with the Arizona Corporation Commission ("Commission") for an increase
19 in annual revenues of \$116,954, an approximate 198 percent increase in annual
20 revenues. The Company also filed an application to approve long-term borrowing of
21 \$656,271 from the Water Infrastructure Finance Authority ("WIFA").

22 On December 1, 2009, Commission Staff filed a Staff Report that recommends
23 approval of the financing request; an increase in annual revenues of \$25,662, and a
24 surcharge to repay the WIFA loan which would potentially collect additional revenue
25 of \$52,661.

26 Under the rates proposed by the Company a residential customer using an average of
27 6,040 gallons per month would experience a monthly increase of \$93.96, or 178.5
28 percent, from \$52.63 to \$146.59. **Customers using less or more than the average
per month will experience a lower or higher percent increase depending on their
usage.** Under Staff's proposed rates, including the WIFA surcharge, the average
residential customer would experience an increase of \$61.37, or 116.6 percent, from
\$52.63 to \$114.00.

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

4 The Commission will determine the appropriate rate relief to be granted based on the
 5 evidence of record in this proceeding. The Commission is not bound by the proposals
 6 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.

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

8 Copies of the application, Staff Report and proposed tariffs are available at the
 9 Company's offices **[INSERT ADDRESS]** and at the Commission's Docket Control
 10 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/)) using the e-docket function.

11 **Public Hearing Information**

12 The Commission will hold a **hearing** on this matter beginning **January 22, 2010, at 10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress, Tucson, Arizona.

13 Public comments will be taken at the beginning of the hearing. Written public
 14 comments may be submitted by mailing a letter referencing Docket Nos. W-20435A-
 09-0296 and W-20435A-09-0298 to Arizona Corporation Commission, Consumer
 15 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
 16 <http://www.azcc.gov/divisions/utilities/forms/publiccomment.pdf>. If you require
 assistance, you may contact the Consumer Services Section at 1-800-222-7000 or
 (520) 628-6550.

17 **About Intervention**

18 The law provides for an open public hearing at which, under appropriate
 19 circumstances, interested parties may intervene. Any person or entity entitled by law
 20 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
 21 written motion to intervene with the Commission no later than **January 15, 2010**, and
 a copy of the motion to SVWC or its counsel and to all parties of record. Your motion
 must contain the following:

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

28 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 January 15, 2010. For

1 information about requesting intervention, visit the Commission's website at
2 <http://www.azcc.gov/divisions/utilities/forms/iinterven.pdf>. The granting of
3 intervention, among other things, entitles a party to present sworn evidence at the
4 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.

5 **ADA/Equal Access Information**

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

12 IT IS FURTHER ORDERED that the Company shall **mail** to each of its customers a copy of
13 the above notice by **January 4, 2010**.¹

14 IT IS FURTHER ORDERED that the Company shall file certification of mailing as soon as
15 practicable after completion.

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

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

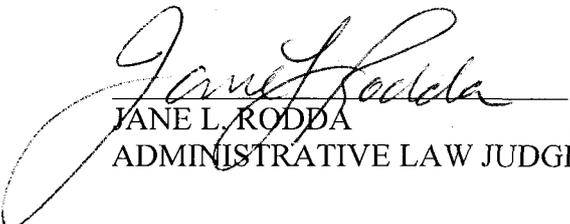
21 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
22 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
23 Rules of the Arizona Supreme Court). Representation before the Commission includes the obligation
24 to appear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

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

¹ The Company may include the notice as a bill insert if possible.

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 18th day of December, 2009.
4

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6 
7 JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

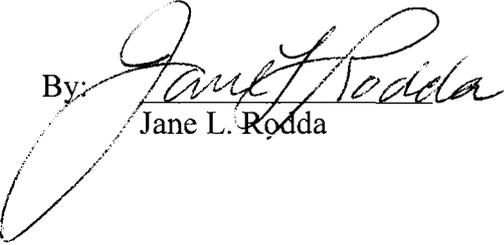
8 Copies of the foregoing mailed
9 this 18 day of December, 2009 to:

10 Steven Wene
11 Moyes Sellers & Sims, LTD.
12 1850 North Central Avenue
13 Suite 1100
14 Phoenix, Arizona 85004
15 Attorneys for SVWC

Steve Olea, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 W. Washington Street
Phoenix, Arizona 85007

13 Janice Alward, Chief Counsel
14 Legal Division
15 ARIZONA CORPORATION COMMISSION
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Arizona Reporting Service, Inc.
2200 N. Central Avenue, Suite 502
Phoenix, Arizona 85004-1481

16 By: 
17 Jane L. Rodda
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