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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

DOCKET NO. W-02105A-09-0522

IN THE MATTER OF THE APPLICATION OF
MT. TIPTON WATER COMPANY, INC. FOR
AN INCREASE IN ITS WATER RATES.

PROCEDURAL ORDER

BY THE COMMISSION:

On November 13, 2009, Mt. Tipton Water Company, Inc. ("Mt. Tipton") filed with the Arizona Corporation Commission ("Commission") an application for a permanent increase in its water rates and charges, using a test year ("TY") of July 1, 2008, through June 30, 2009. Mt. Tipton requests authorization to increase its rates to generate an additional \$78,014 in gross revenues per year. In its application, Mt. Tipton reports unaudited actual TY operating income of \$19,803 and unaudited adjusted TY operating income of (\$17,643). Mt. Tipton proposes to increase its monthly usage charges, its commodity rates, most of its service charges, and its service line and meter installation charges.

On December 4, 2009, Mt. Tipton filed a copy of an Arizona Department of Revenue ("ADOR") Certificate of Compliance Letter of Good Standing showing that Mt. Tipton is in compliance with ADOR requirements relating to Mt. Tipton's federal employer identification number, transaction privilege tax license, and withholding license.

On December 14, 2009, the Commission's Utilities Division Staff ("Staff") issued a Letter of Sufficiency stating that Mt. Tipton's application has met the sufficiency requirements outlined in Arizona Administrative Code ("A.A.C.") R14-2-103 and that Mt. Tipton has been classified as a Class C utility.

Pursuant to A.A.C. R14-2-103 and R14-3-101 et seq., the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

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1 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
2 commence on **June 21, 2010, at 10:00 a.m.**, or as soon thereafter as is practicable, at the
3 Commission's offices, Hearing Room #1, 1200 West Washington, Phoenix, Arizona 85007.
4 **Additional hearing** shall proceed on **June 24, 2010, at 10:00 a.m.**, in Hearing Room #1, if
5 necessary.

6 IT IS FURTHER ORDERED that a **prehearing conference** shall be held on **June 17, 2010,**
7 **at 10:00 a.m.**, or as soon thereafter as is practicable, at the Commission's offices, Hearing Room #1,
8 1200 West Washington, Phoenix, Arizona 85007.

9 IT IS FURTHER ORDERED that the **testimony and associated exhibits** to be presented at
10 hearing by **Staff** shall be reduced to writing and filed on or before **April 28, 2010.**

11 IT IS FURTHER ORDERED that the **testimony and associated exhibits** to be presented at
12 hearing by an **intervenor** shall be reduced to writing and filed on or before **April 28, 2010.**

13 IT IS FURTHER ORDERED that the **rebuttal testimony and associated exhibits** to be
14 presented at hearing by **Mt. Tipton** shall be reduced to writing and filed on or before **May 21, 2010.**

15 IT IS FURTHER ORDERED that the **surrebuttal testimony and associated exhibits** to be
16 presented at hearing by **Staff or intervenors** shall be reduced to writing and filed on or before **June**
17 **4, 2010.**

18 IT IS FURTHER ORDERED that the **rejoinder testimony and associated exhibits** to be
19 presented at hearing by **Mt. Tipton** shall be reduced to writing and filed on or before **June 14, 2010.**

20 IT IS FURTHER ORDERED that any **objections to testimony or exhibits that have been**
21 **prefiled as of June 14, 2010, shall be made before or at the June 17, 2010, prehearing**
22 **conference.**

23 IT IS FURTHER ORDERED that **each party shall individually prepare, and bring to the**
24 **prehearing conference, copies of an issues matrix setting forth all disputed issues in the case.**
25 **Each party's matrix shall indicate the position of each party on each disputed issue and shall**
26 **indicate whether the issue remains in dispute or has been resolved and, if it has been resolved,**
27 **in what manner.**

28 IT IS FURTHER ORDERED that all **testimony** filed shall include a **table of contents** listing

1 the issues discussed therein.

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

4 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
5 prefiled testimony shall be reduced to writing and filed no later than **noon on June 17, 2010**.

6 IT IS FURTHER ORDERED that the parties shall prepare a brief written **summary** of the
7 prefiled testimony of their witnesses and shall file each summary by **noon on June 17, 2010**.

8 IT IS FURTHER ORDERED that copies of the summaries shall be served upon the
9 Administrative Law Judge, the Commissioners, the Commissioners' Advisors, and the parties of
10 record.

11 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
12 105, except that all motions to intervene must be filed on or before **March 26, 2010**.

13 IT IS FURTHER ORDERED that any **objections to intervention** shall be filed on or before
14 **April 16, 2010**.

15 IT IS FURTHER ORDERED that any motion filed in this matter, other than a motion to
16 intervene, that is not ruled upon by the Commission within 20 calendar days of the filing date of the
17 motion shall be deemed denied.

18 IT IS FURTHER ORDERED that any response to a motion, other than a motion to intervene,
19 shall be filed within five calendar days of the filing date of the motion.

20 IT IS FURTHER ORDERED that any reply related to a motion shall be filed within five
21 calendar days of the filing date of the response to the motion.

22 IT IS FURTHER ORDERED that **Mt. Tipton shall provide public notice** of the hearing in
23 this matter, in the following form and style, with the heading in no less than 16-point bold type and
24 the body in no less than 10-point regular type:

25 ...

26 ...

27 ...

28 ...

1
2 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF MT. TIPTON**
3 **WATER COMPANY, INC. FOR AN INCREASE IN ITS WATER RATES.**
4 **(Docket No. W-02105A-09-0522)**

5
6 **Summary**

7 On November 13, 2009, Mt. Tipton Water Company, Inc. ("Mt. Tipton") filed with the
8 Arizona Corporation Commission ("Commission") an application for a permanent
9 increase in its water rates and charges, using a test year ("TY") of July 1, 2008,
10 through June 30, 2009. Mt. Tipton requests authorization to increase its rates to
11 generate an additional \$78,014 in gross revenues per year. In its application, Mt.
12 Tipton reports unaudited actual TY operating income of \$19,803 and unaudited
13 adjusted TY operating income of (\$17,643). Mt. Tipton proposes to increase its
14 minimum monthly charges, its commodity rates, most of its service charges, and its
15 service line and meter installation charges. Under Mt. Tipton's proposed rates, the
16 minimum monthly charge for a customer served by a 5/8" x 3/4" meter would increase
17 from \$19.00 to \$26.00, and the commodity rates assessed to such a customer would
18 increase from \$2.45 to \$2.534 per thousand gallons for usage up to 4,000 gallons, from
19 \$3.20 to \$3.60 per thousand gallons for usage between 4,001 and 9,000 gallons, and
20 from \$4.20 to \$4.50 per thousand gallons for usage exceeding 9,000 gallons.
21 Customers served by other meter sizes would also experience increases in both
22 minimum monthly charges and commodity rates.

23 The Commission's Utilities Division Staff ("Staff") is in the process of auditing and
24 analyzing Mt. Tipton's records and has not yet made a recommendation regarding the
25 rate application. The Commission will determine the appropriate relief to be granted
26 based on the evidence of record in the proceeding. The Commission is not bound by
27 the proposals made by Mt. Tipton, Staff, or any intervenors. The final rates approved
28 by the Commission may be higher or lower than those proposed by Mt. Tipton.

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

17 Copies of the application and proposed rates are available at Mt. Tipton's offices
18 [COMPANY INSERT ADDRESS HERE] and at the Commission's Docket Control
19 Center at 1200 West Washington, Phoenix, Arizona, for public inspection during
20 regular business hours, and on the Internet via the Commission's website
21 (www.azcc.gov) using the e-Docket function.

20 **Arizona Corporation Commission Public Hearing Information**

21 The Commission will hold a hearing on this matter beginning **June 21, 2010, at 10:00**
22 **a.m.**, at the Commission's offices, Hearing Room #1, 1200 West Washington Street,
23 Phoenix, Arizona. Public comments will be taken on the first day of the hearing.
24 Written public comments may be submitted by mailing a letter referencing Docket No.
25 W-02105A-09-0522 to Arizona Corporation Commission, Consumer Services
26 Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use
27 and instructions on how to e-mail comments to the Commission, go to
28 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 602-
542-4251.

26 **About Intervention**

27 The law provides for an open public hearing at which, under appropriate
28 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 desire to intervene, you must file a written motion to intervene
with the Commission no later than **March 26, 2010**. You must send a copy of the

1 motion to intervene to Mt. Tipton or its counsel and to all parties of record. Your
2 motion to intervene must contain the following:

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

10 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
11 that all motions to intervene must be filed on or before **March 26, 2010**. If
12 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
13 Court, intervention will be conditioned upon the intervenor's obtaining counsel to
14 represent the intervenor. For information about requesting intervention, visit the
15 Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.
16 The granting of intervention, among other things, entitles a party to present sworn
17 evidence at the hearing and to cross-examine other witnesses. However, failure to
18 intervene will not preclude any interested person or entity from appearing at the
19 hearing and providing public comment on the application or from filing written
20 comments in the record of the case.

21 ADA/Equal Access Information

22 The Commission does not discriminate on the basis of disability in admission to its
23 public meetings. Persons with a disability may request a reasonable accommodation
24 such as a sign language interpreter, as well as request this document in an alternative
25 format, by contacting the ADA Coordinator, Shaylin Bernal, at sabernal@azcc.gov,
26 voice phone number (602) 542-3931. Requests should be made as early as possible to
27 allow time to arrange the accommodation.

28 IT IS FURTHER ORDERED that, by **January 22, 2010**, Mt. Tipton shall **mail to each
current customer** a copy of the above notice and cause the above notice to be **published in a
newspaper(s) of general circulation** in its service territory.

IT IS FURTHER ORDERED that Mt. Tipton shall file **certification of mailing and
publication** as soon as practicable after the mailing and publication has been completed, but **no later
than February 19, 2010**.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing/publication
of same, notwithstanding the failure of an individual 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
pro hac vice.

IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance

1 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
2 rules of the Arizona Supreme Court). Representation before the Commission includes the obligation
3 to appear at all hearings, prehearing conferences, procedural conferences, and Open Meetings at
4 which the matter is scheduled for discussion, unless counsel has previously been granted permission
5 to withdraw by the Administrative Law Judge or the Commission.

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

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

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

13 DATED this 21st day of December, 2009.

14
15 
16 SARAH N. HARPRING
ADMINISTRATIVE LAW JUDGE

17 Copies of the foregoing mailed/delivered
18 this 21st day of December, 2009, to:

19 Steve Wene
20 MOYES SELLERS & SIMS LTD.
1850 N. Central Avenue, Suite 1100
21 Phoenix, Arizona 85004
Attorney for Mt. Tipton Water Company, Inc.

ARIZONA REPORTING SERVICE, INC.
2200 North Central Avenue, Suite 502
Phoenix, Arizona 85004-1481

22 Janice Alward, Chief Counsel
23 Legal Division
ARIZONA CORPORATION COMMISSION
24 1200 W. Washington Street
Phoenix, Arizona 85007

By: 
Debra Broyles
Secretary to Sarah N. Harpring

25 Steven M. Olea, Director
26 Utilities Division
ARIZONA CORPORATION COMMISSION
27 1200 W. Washington Street
Phoenix, Arizona 85007