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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  
DOCKETED

DEC 31 2009

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF  
SOUTHWEST TRANSMISSION COOPERATIVE,  
INC. FOR A HEARING TO DETERMINE THE  
FAIR VALUE OF ITS PROPERTY FOR  
RATEMAKING PURPOSES, TO FIX A JUST AND  
REASONABLE RETURN THEREON AND TO  
APPROVE RATES DESIGNED TO DEVELOP  
SUCH RETURN.

DOCKET NO. E-04100A-09-0496

PROCEDURAL ORDER

BY THE COMMISSION:

On October 16, 2009, Southwest Transmission Cooperative, Inc. ("SWTC" or "Cooperative") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase.

On November 9, 2009, Mohave Electric Cooperative, Inc. filed a request to intervene which was granted December 9, 2009.

On December 14, 2009, after receiving the consent of SWTC for an extension of time, the Commission Utilities Division Staff ("Staff") notified the Cooperative that its application was sufficient under the requirements outlined in A.A.C. R14-2-103, and classified the Cooperative as a Class A utility.

On December 16, 2009, Trico Electric Cooperative, Inc. ("Trico") filed a Motion to Intervene.

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 **September 14, 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 a **telephonic pre-hearing conference** shall be held on

1 **September 7, 2010**, at 10:00 a.m. at the Commission's Tucson offices, Room 218, for the purpose  
2 of scheduling witnesses and the conduct of the hearing. **The parties should contact the Hearing**  
3 **Division at (602) 542-4250 prior to September 7, 2010 to receive instructions for appearing**  
4 **telephonically.**

5 IT IS FURTHER ORDERED that **direct testimony** and associated exhibits (**except that**  
6 **related to rate design and cost of service**) to be presented at hearing on behalf of Staff shall be  
7 reduced to writing and filed on or before **June 10, 2010.**

8 IT IS FURTHER ORDERED that any **direct testimony** and associated exhibits (**except that**  
9 **related to rate design and cost of service**) to be presented at hearing on behalf of intervenors shall  
10 be reduced to writing and filed on or before **June 10, 2010.**

11 IT IS FURTHER ORDERED that **direct testimony** and associated exhibits **related to rate**  
12 **design and cost of service** to be presented at hearing on behalf of Staff and intervenors shall be  
13 reduced to writing and filed on or before **June 23, 2010.**

14 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be  
15 presented at hearing by the Cooperative shall be reduced to writing and filed on or before **July 28,**  
16 **2010.**

17 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be  
18 presented by the Staff or intervenors shall be reduced to writing and filed on or before **September 1,**  
19 **2010.**

20 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits** to be  
21 presented at hearing by the Cooperative shall be reduced to writing and filed on or before **August 27,**  
22 **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 prefiled as of September 1, 2010, shall be made before or at the **September 7, 2010** pre-hearing  
27 conference.  
28

1 IT IS FURTHER ORDERED that all testimony filed shall include a table of contents which  
2 lists the issues discussed.

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

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

9 IT IS FURTHER ORDERED that copies of summaries should be served upon the Presiding  
10 Officer, the Commissioners, and the Commissioners' aides as well as the parties of 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 May 28, 2010.**

13 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and  
14 regulations of the Commission, except that: until July 30, 2010, any objection to discovery requests  
15 shall be made within 7 days<sup>1</sup> of receipt and responses to discovery requests shall be made within 10  
16 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and responses  
17 shall be made in 7 days; the response time may be extended by mutual agreement of the parties  
18 involved if the request requires an extensive compilation effort. All **discovery requests** shall be made  
19 prior to **September 1, 2010.**

20 IT IS FURTHER ORDERED that for discovery requests, objections, and answers, if a  
21 receiving party requests service to be made electronically, and the sending party has the technical  
22 capability to provide service electronically, service to that party shall be made electronically.

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

28 <sup>1</sup> "Days" means calendar days.

1 a request shall forthwith contact all other parties to advise them of the hearing date and shall at the  
2 hearing provide a statement confirming that the other parties were contacted.<sup>2</sup>

3 IT IS FURTHER ORDERED that any motions which are filed in this matter and which are  
4 not ruled upon by the Commission within 20 days of the filing date of the motion shall be deemed  
5 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 form and style with the heading in no less than 14 point bold type and  
12 the body in no less than 10-point regular type:

13  
14 **PUBLIC NOTICE OF HEARING ON THE**  
15 **RATE APPLICATION OF**  
16 **SOUTHWEST TRANSMISSION COOPERATIVE, INC.**  
17 **DOCKET NO. E-04100A-09-0496**

18 Southwest Transmission Cooperative, Inc. ("SWTC" or "Cooperative") is a non-profit  
19 electric transmission cooperative that provides transmission service to its members.  
20 SWTC has six (6) Class A members comprised of Anza Electric Cooperative, Inc.,  
21 Trico Electric Power Cooperative, Inc., Duncan Valley Electric Cooperative, Inc.,  
22 Graham County Electric Cooperative, Inc., Mohave Electric Cooperative, Inc., and  
23 Sulphur Springs Valley Electric Cooperative, Inc.

24 On October 16, 2009, SWTC filed an application with the Arizona Corporation  
25 Commission ("Commission") for an overall rate increase of approximately \$7.65  
26 million, or 27.6 percent. SWTC states the requested increase is designed to produce a  
27 net margin of \$2.823 million, a Times Interest Earned Ratio of 1.56 and a Debt  
28 Service Coverage Ratio of 1.35. The impact of SWTC's proposed wholesale rates on  
the retail consumer is difficult to estimate because SWTC's members have different  
retail rate levels and structures. In general, however, SWTC estimates that  
transmission rate costs account for approximately 10 percent of the end user's rates.  
Based on that assumption, SWTC estimates a bill impact of approximately \$4.60 for a  
retail user of 100 kWh.

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

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

4 The Commission's Utilities Division Staff has not yet made a recommendation  
 5 regarding the Cooperative's rate proposal, and the Commission will determine the  
 6 appropriate rate relief to be granted based on the evidence of record in this proceeding.  
 7 The Commission is not bound by the proposals made by the Cooperative, Staff, or any  
 8 intervenors and, therefore, the final rates approved in this docket may be lower or  
 9 higher than the rates described above.

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

9 Copies of the application and proposed tariffs are available at the Cooperative's  
 10 offices **[INSERT ADDRESS]** and at the Commission's Docket Control Center at  
 11 1200 West Washington, Phoenix, Arizona and its Tucson offices, 400 West Congress,  
 12 Suite 218, Tucson, Arizona and on the internet via the Commission website  
 13 ([/www.azcc.gov/](http://www.azcc.gov/)) using the e-docket function.

### 12 **Public Hearing Information**

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

16 Public comments will be taken at the beginning of the first day of the hearing. In  
 17 addition, written public comments may be submitted by mailing a letter referencing  
 18 Docket No. E-04100A-09-0496 to Arizona Corporation Commission, Consumer  
 19 Services Section, 1200 West Washington, Phoenix, AZ 85007, or by email. For a  
 20 form to use and instructions on how to e-mail comments to the Commission, go to  
 21 [http://www.azcc.gov/divisions/utilities/forms/public\\_comment.pdf](http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf). If you require  
 22 assistance, you may contact the Consumer Services Section at 1-800-222-7000 or  
 23 (520) 628-6550.

### 19 **About Intervention**

20 The law provides for an open public hearing at which, under appropriate  
 21 circumstances, interested parties may intervene. Any person or entity entitled by law  
 22 to intervene and having a direct and substantial interest in the matter will be permitted  
 23 to intervene. If you wish to intervene, you must file an original and 13 copies of a  
 24 written motion to intervene with the Commission no later than **May 28, 2010**, and  
 25 mail a copy of the motion to SWTC or its counsel and to all parties of record. Your  
 26 motion must contain the following:

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

1 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except  
2 that all motions to intervene must be filed on or before May 28, 2010. If  
3 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme  
4 Court, intervention will be conditioned upon the intervenor obtaining counsel to  
5 represent the intervenor. For information about requesting intervention, visit the  
6 Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.  
7 The granting of intervention, among other things, entitles a party to present sworn  
8 evidence at the hearing and to cross-examine other witnesses. However, failure to  
9 intervene will not preclude any interested person or entity from appearing at the  
10 hearing and providing public comment on the application or from filing written  
11 comments in the record of the case.

12 **If you do not intervene in this proceeding, you will receive no further notice of the**  
13 **proceedings in this docket. However, all documents filed in this docket are**  
14 **available online** (usually within 24 hours after docketing) using the Commission's e-  
15 Docket function, which is located in the lower right hand corner of the Commission's  
16 website homepage, [www.azcc.gov](http://www.azcc.gov). RSS feeds are also available using the  
17 Commission's e-Docket function.

#### 18 **ADA/Equal Access Information**

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

25 IT IS FURTHER ORDERED that SWTC shall mail to each of its members (all customer  
26 classes), and publish at least twice (and at least two weeks apart) in newspapers of local circulation in  
27 the service territories of its member distribution cooperatives, a copy of the above notice, the first  
28 publication to occur by January 29, 2010, and second notice no later than March 1, 2010. If possible,  
SWTC shall also arrange to have the notice published in any newsletters published by its member  
distribution cooperatives, as soon as possible, and prior to April 30, 2010.

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

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

IT IS FURTHER ORDERED that Trico's Motion to Intervene is granted.

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

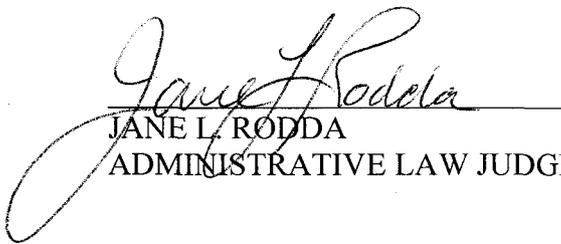
4 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules  
5 of the Arizona Supreme Court and A.R.S. §40-243 with respect to the practice of law and admission  
6 pro had vice.

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

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

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

17  
18 DATED this 30<sup>th</sup> day of December, 2009.

19  
20  
21   
22 JANE L. RODDA  
ADMINISTRATIVE LAW JUDGE

23 Copies of the foregoing mailed  
24 this 30<sup>th</sup> day of December, 2009 to:

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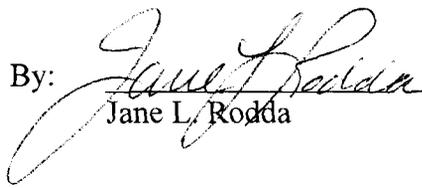
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