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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

JAN - 6 2010

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COMMISSIONERS

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

2010 JAN - 6 P 3: 43

AZ CORP. COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
F. WAYNE & DOROTHY THOMPSON DBA
WEST VILLAGE WATER CO. FOR
AUTHORITY TO INCUR DEBT TO FINANCE
WATER SYSTEM IMPROVEMENTS.

DOCKET NO. W-03211A-08-0621

IN THE MATTER OF THE APPLICATION OF
F. WAYNE & DOROTHY THOMPSON DBA
WEST VILLAGE WATER COMPANY FOR A
RATE INCREASE.

DOCKET NO. W-03211A-08-0622

PROCEDURAL ORDER

BY THE COMMISSION:

On December 31, 2008, in Docket No. W-03211A-08-0621 ("Finance Docket"), F. Wayne and Dorothy Thompson dba West Village Water Company ("West Village" or "Company") filed an application with the Arizona Corporation Commission ("Commission") requesting authority to incur debt in the amount of \$525,000 to finance improvements for West Village's well, pumping equipment, and distribution system.

On the same date, West Village filed an application, in Docket No. W-03211A-08-0622 ("Rate Docket"), seeking a permanent increase in rates in the amount of \$99,273 or 310.85 percent over 2007 test year revenues. The application included an affidavit showing notice of the proposed rate increase had been mailed to each of West Village's customers by First Class Mail.

On January 6, 2009, West Village filed a Motion to Consolidate the Rate Docket and the Finance Docket.

On March 16, 2009, by Procedural Order, the Commission's Utilities Division ("Staff") was directed to file a response to West Village's motion to consolidate the finance and rate dockets.

On March 26, 2009, Staff filed a response to West Village's motion, stating that Staff had no objections to the consolidation of the dockets as the matters are substantially related.

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1 On April 1, 2009, Staff filed a Letter of Sufficiency stating that West Village's rate
2 application had met the sufficiency requirements outlined in the Arizona Administrative Code and
3 that West Village had been classified as a Class D utility.

4 On April 20, 2009, by Procedural Order, Docket Nos. W-03211A-08-0621 and W-03211A-
5 08-0622 were consolidated.

6 On April 21, 2009, West Village filed an affidavit stating that notice of the finance application
7 had been provided to each of its customers.

8 On May 27, 2009, West Village filed a Motion for Extension of Time, requesting that the
9 deadline for filing the Staff Report be extended from June 15, 2009, to July 31, 2009, to allow the
10 Arizona Department of Environmental Quality ("ADEQ") sufficient time to evaluate and report on
11 West Village's water system.

12 On May 29, 2009, Staff filed a response to West Village's motion stating that Staff did not
13 oppose the request for an extension of time to file the Staff Report in this matter.

14 On May 29, 2009, by Procedural Order, the deadline for filing the Staff Report was extended
15 to July 31, 2009, and the time clock was suspended.

16 On July 14, 2009, West Village filed a second motion for an extension of time to file the Staff
17 Report, requesting the deadline be extended to September 30, 2009, because additional time was
18 needed for ADEQ to finalize its evaluation of West Village's system.

19 On July 15, 2009, Staff filed a response to West Village's second motion for an extension of
20 time stating Staff believed the extension of time was reasonable under the circumstances.

21 On July 17, 2009, by Procedural Order, West Village's second motion for an extension of
22 time was granted; a new deadline for filing the Staff Report was established; and the timeclock for
23 this matter remained suspended.

24 On August 13, 2009, the Company docketed the ADEQ Water System Evaluation ("Report").

25 On September 3, 2009, Staff filed a response to the Report, stating that the Report did not
26 identify and/or support the Company's financing application and appeared to be incomplete with
27 regard to the Company's proposed system improvements. Further, Staff stated that it had contacted
28 counsel for the Company on August 18, 2009, regarding a cost breakdown for each improvement

1 requested in the financing application, but that Staff had not received the Company's responses as of
2 the date of Staff's filing. Staff therefore requested that the deadline to file the Staff Report be
3 extended until sixty (60) days after the Company provides Staff with the requested additional
4 information needed to evaluate the financing application.

5 On September 13, 2009, by Procedural Order, Staff's request for filing the Staff Report was
6 granted; West Village was ordered to respond to Staff's request for additional information within 10
7 days of the Procedural Order; and the timeclock remained suspended.

8 On November 25, 2009, Staff filed a Staff Report in this matter. Staff recommends approval
9 of the financing and rate applications subject to Staff's recommendations and adjustments.

10 On December 3, 2009, West Village filed a request for an extension of time to file a response
11 to the Staff Report. West Village stated that due to receiving the Staff Report on November 30, 2009,
12 the Company has only four days to file a response to the Staff Report, and additional time was
13 needed.

14 On December 4, 2009, by Procedural Order, West Village's request for an extension of time
15 was granted

16 On December 14, 2009, West Village filed its Response to the Staff Report ("Response"). In
17 the Response, West Village objects to Staff's adjustment disallowing the Company's water purchase
18 expense of \$18,765 during the test year, and Staff's recommended compliance deadlines.

19 On December 15, 2009, Staff filed Notice of Errata correcting some of the numbers in Staff's
20 proposed rates.

21 West Village has raised several disputes in its Response to the Staff Report. Therefore, a
22 procedural conference should be held in this matter to determine if a hearing is necessary.

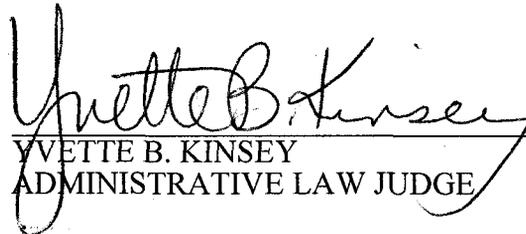
23 IT IS THEREFORE ORDERED that a **procedural conference** shall be held in this matter on
24 **January 21, 2010, at 10:00 a.m.**, or as soon thereafter as is practicable, at the Commission's offices,
25 Room 100, 1200 West Washington, Arizona.

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

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

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

9 DATED this 10th day of January, 2010.

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11 
12 YVETTE B. KINSEY
13 ADMINISTRATIVE LAW JUDGE

14 Copies of the foregoing mailed/delivered
15 this 6th day of January, 2010 to:

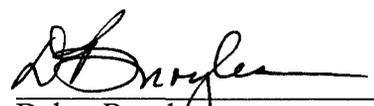
16 F. Wayne and Dorothy Thompson
17 WEST VILLAGE WATER COMPANY
18 P.O. Box 756
19 Flagstaff, AZ 86002

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By: 
Debra Broyles
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