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BEFORE THE ARIZONA CORPORATION COMMISSION

2 COMMISSIONERS

3 KRISTIN K. MAYES - Chairman
4 GARY PIERCE
5 PAUL NEWMAN
6 SANDRA D. KENNEDY
7 BOB STUMP

2010 JAN 19 P 3:33

APPROVED THROUGH
DOCKET CONTROL

7 IN THE MATTER OF THE APPLICATION OF
8 CHAPARRAL CITY WATER COMPANY, INC.,
9 AN ARIZONA CORPORATION, FOR A
10 DETERMINATION OF THE FAIR VALUE OF
ITS UTILITY PLANT AND PROPERTY AND
FOR INCREASES IN ITS RATES AND CHARGES
FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. W-02113A-07-0551

PROCEDURAL ORDER

11 **BY THE COMMISSION:**

12 On October 21, 2009, the Arizona Corporation Commission ("Commission") issued Decision
13 No. 71308 in the above-captioned matter.

14 On November 3, 2009, the Company filed a Motion for Order Amending Decision No. 71308
15 *nunc pro tunc* in regard to a computational error in the rates approved by Decision No. 71308.

16 On November 10, 2009, the Company filed an Application for Rehearing pursuant to A.R.S. §
17 40-253, requesting rehearing on five issues in Decision No. 71308, including the issue of a
18 computational error in the rates approved by Decision No. 71308 ("Application for Rehearing").

19 On November 24, 2009, the Commission voted to grant the Company's Application for
20 Rehearing in order to allow time for further consideration. The Commission directed the Hearing
21 Division to prepare a Recommended Order or Procedural Order for Commission consideration
22 regarding the alleged computational error in the approved rates, and regarding whether corrections
23 should date back to the date of Decision No. 71308. The Commission withheld making any
24 determinations as to any other issues raised in the Application for Rehearing, until after Commission
25 consideration of an Order addressing correction of alleged errors in rates.

26 On December 8, 2009, the Commission issued Decision No. 71424, which amended Decision
27 No. 71308 *nunc pro tunc* to correct the computational error in rates approved in Decision No. 71308.
28 Decision No. 71424 also approved a temporary surcharge to allow recovery of the revenue shortfall

1 produced by the erroneous rates.

2 On January 19, 2010, the Commission voted to grant the Company's rehearing request of
3 Decision No. 71308, amended *nunc pro tunc* by Decision No. 71424, for purposes of further
4 Commission consideration on the matters of the Company's rehearing request for additional rate case
5 expense associated with the appeal and remand of Commission Decision No. 68176 (September 30,
6 2005) and treatment of the Fountain Hills Sanitation District ("FHSD") settlement proceeds. The
7 Commission voted to deny rehearing of any remaining matters raised in the Application for
8 Rehearing. The Commission directed the Hearing Division to establish procedures for further
9 proceedings concerning rehearing on the issues of approving additional rate case expense and
10 treatment of the FHSD settlement proceeds, and to prepare a Recommended Opinion and Order on
11 Rehearing for Commission consideration.

12 A procedural conference should be convened to provide an opportunity for the parties to
13 discuss an appropriate procedural schedule for rehearing of the following two issues: (1) Decision
14 No. 71308's treatment of the FHSD settlement proceeds; and (2) Decision No. 71308's treatment of
15 the Company's request for recovery of rate case expense associated with the appeal and remand of
16 Commission Decision No. 68176.

17 IT IS THEREFORE ORDERED Chaparral City Water Company's request for rehearing of
18 Decision No. 71308 is hereby granted for purposes of further consideration of the following two
19 issues: (1) Decision No. 71308's treatment of the Fountain Hills Sanitation District settlement
20 proceeds; and (2) Decision No. 71308's treatment of Chaparral City Water Company's request for
21 recovery of rate case expense associated with the appeal and remand of Commission Decision No.
22 68176 (September 30, 2005).

23 IT IS FURTHER ORDERED that Chaparral City Water Company's request for rehearing of
24 Decision No. 71308 is hereby denied in regard to the two remaining matters raised in its November
25 10, 2009 Application for Rehearing.¹

26 IT IS FURTHER ORDERED that a **procedural conference** shall be held on **January 27,**
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28 ¹ Decision No. 71424 (December 8, 2009) has resolved the fifth issue set forth in the November 10, 2009 Application for Rehearing.

1 2010, commencing at 10:00 a.m., or as soon thereafter as practicable, at the Commission's offices,
2 1200 West Washington Street, Room 100, Phoenix, Arizona, for the purpose of providing an
3 opportunity for the parties to discuss an appropriate procedural schedule for the rehearing.

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 practice of law and admission *pro*
6 *hac 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 Arizona Supreme Court). Representation before the Commission includes appearances at all
10 hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled
11 for discussion, unless counsel has previously been granted permission to withdraw by the
12 Administrative Law Judge or the Commission.

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

16 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
17 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
18 hearing.

19 DATED this 19th day of January, 2010.

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22 
23 FEENA WOLFE
24 ADMINISTRATIVE LAW JUDGE
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27
28

1 Copies of the foregoing mailed/delivered
this 19th day of January, 2010, to:

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25 By: 
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