

ORIGINAL



0000107229

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

Arizona Corporation Commission

DOCKETED

FEB - 8 2010

2010 FEB -8 11: 27

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY *[Signature]*

2 COMMISSIONERS

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

8 IN THE MATTER OF THE APPLICATION OF
9 F. WAYNE & DOROTHY THOMPSON DBA
10 WEST VILLAGE WATER COMPANY FOR
11 AUTHORITY TO INCUR DEBT TO FINANCE
12 WATER SYSTEM IMPROVEMENTS.

DOCKET NO. W-03211A-08-0621

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

DOCKET NO. W-03211A-08-0622

PROCEDURAL ORDER

12 **BY THE COMMISSION:**

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

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

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

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

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

28

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 timeclock 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 that 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 an 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

1 counsel for the Company on August 18, 2009, regarding a cost breakdown for each improvement
2 requested in the financing application, but that Staff had not received the Company's responses as of
3 the date of Staff's filing. Staff therefore requested that the deadline to file the Staff Report be
4 extended until sixty (60) days after the Company provides Staff with the requested additional
5 information needed to evaluate the financing application.

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

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

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

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

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

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

22 On January 6, 2010, by Procedural Order, a procedural conference was set to commence on
23 January 21, 2010, to discuss whether a hearing is necessary in this matter.

24 On January 21, 2010, a procedural conference was held as scheduled before a duly authorized
25 Administrative Law Judge ("ALJ") of the Commission at its offices in Phoenix, Arizona. Staff and
26 West Village appeared through counsel. During the proceeding Staff identified errors contained in
27 the Staff Report. At the conclusion of the proceeding, Staff was directed to file a supplement to the
28

1 Staff Report, correcting the identified errors and addressing the issues raised in West Village's
2 objections. Staff requested and was granted two weeks to file the requested document.

3 On February 2, 2010, Staff filed a Motion for Extension of Time in which Staff requested an
4 additional three weeks, until February 25, 2010, to make the requested filing. Staff stated that West
5 Village has no objection to Staff's request to extend the time deadline.

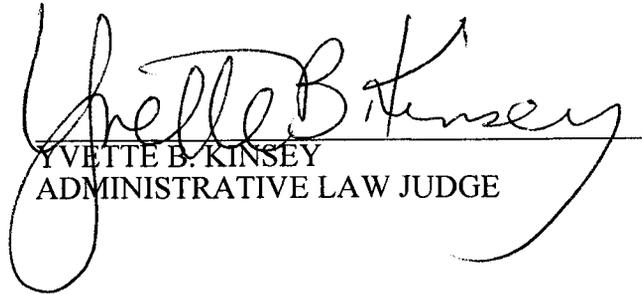
6 **IT IS THEREFORE ORDERED that Staff's request to extend its deadline to file a**
7 **supplement to the November 25, 2009, Staff Report until February 25, 2010, is hereby granted.**

8 IT IS FURTHER ORDERED that the time clock in this matter remains suspended.

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

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

14 DATED this 8th day of February, 2010.

15
16
17 
18 YVETTE B. KINSEY
ADMINISTRATIVE LAW JUDGE

19 Copies of the foregoing mailed/delivered
20 this 8th day of February, 2010 to:

21 F. Wayne and Dorothy Thompson
WEST VILLAGE WATER COMPANY
22 P.O. Box 756
Flagstaff, AZ 86002

23 Steve Wene, Esq.
MOYES SELLERS & SIMS LTD.
24 1850 North Central Avenue, Suite 1100
Phoenix, AZ 85004
25 Attorneys for West Village Water Company

Janice Alward, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

Steven M. Olea, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

26
27 By: 
Debra Broyles
Secretary to Yvette B. Kinsey

28