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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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AZ CORP COMMISSION  
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IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM WATER DISTRICT AND ITS SUN CITY WATER DISTRICT.

DOCKET NO. W-01303A-09-0343

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM/AGUA FRIA WASTEWATER DISTRICT, ITS SUN CITY WASTEWATER DISTRICT AND ITS SUN CITY WEST WASTEWATER DISTRICT.

DOCKET NO. SW-01303A-09-0343

PROCEDURAL ORDER

**BY THE COMMISSION:**

On July 2, 2009, Arizona-American Water Company ("Arizona-American" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for rate increases for its Anthem Water District, Sun City Water District, Anthem/Agua Fria Wastewater District, Sun City Wastewater District, and Sun City West Wastewater District.

A hearing date and associated procedural deadlines were set in a Rate Case Procedural Order issued on September 24, 2009.

Intervention in this matter has been granted to the Residential Utility Consumer Office ("RUCO"); Anthem Community Council; Sun City West Property Owners and Residents Association ("PORA"); W.R. Hansen; the Water Utility Association of Arizona; the Camelback Inn, Sanctuary on

1 Camelback Mountain, the Intercontinental Montelucia Resort and Spa, and the Scottsdale  
2 Cottonwoods Resort and Suites (collectively the "Resorts"); the Town of Paradise Valley ("Paradise  
3 Valley"), and the Anthem Golf and Country Club.

4 On February 2, 2010, a Procedural Order was issued granting a request by the Commission's  
5 Utilities Division ("Staff") to extend the time deadline, until March 22, 2010, for Staff to file its rate  
6 design testimony. The time deadline for the Company to file rebuttal testimony on the issue of rate  
7 design was also extended, from March 22, 2010, to April 5, 2010.

8 On February 19, 2010, a Procedural Order was issued granting a request by RUCO for a one-  
9 week extension of time for RUCO to file its revenue requirement testimony. The Procedural Order  
10 also extended the deadline, to March 1, 2010, for Staff and intervenors to file direct testimony on  
11 issues other than rate design.

12 On February 26, 2010, Staff filed a Request for an Extension of Time to File Direct  
13 Testimony. Staff requested an additional one-week extension of time to file its direct testimony in  
14 this case.

15 On March 1, 2010, a Procedural Order was issued granting Staff's February 26, 2010, request  
16 for an additional one-week extension of time to file its revenue requirement testimony, due to a need  
17 for the Company to reconcile plant values contained in the Company's direct case with those  
18 contained in data responses. The Procedural Order extended the deadline from March 1, 2010 to  
19 March 8, 2010, for Staff and intervenors to file direct testimony on issues other than rate design.  
20 Staff was also directed to arrange to meet and confer with all parties to discuss possible changes to  
21 other filing deadlines in this proceeding, and to request that a procedural conference be convened so  
22 that proposals may be discussed by all parties.

23 On March 5, 2010, Arizona-American filed its Response to the Resorts' Motion to Intervene  
24 and Request for Additional Intervention. In its Response, Arizona-American did not object to the  
25 granting of intervention and also requested that the intervenors from Docket Nos. W-01303A-08-  
26 0227 et al. ("08-0227 Docket") be granted intervention in this case.<sup>1</sup>

27  
28 <sup>1</sup> The following parties were intervenors in the 08-0227 Docket: RUCO, Clearwater Hills Improvement Association  
("Clearwater Hills"), the Town of Paradise Valley ("Town"), George E. Cocks, Patricia A. Cocks, Nicholas Wright,

1 On March 5, 2010, Staff filed a Motion for Extension and Request for Procedural Conference.  
2 Staff stated that, in accordance with the Procedural Order issued March 1, 2010, Staff had met with  
3 the parties to discuss proposed schedule changes. Staff included in its filing the schedule proposed by  
4 the parties, which would have Staff and intervenors file rate design/rate consolidation testimony on  
5 March 29, 2010; have the Company file rebuttal thereto due on April 5, 2010; and have Staff and  
6 intervenor surrebuttal testimony due on April 12, 2010.

7 On March 8, 2010, the Anthem Community Council filed its Support for the Commission  
8 Staff's Motion for Extension and Request for Procedural Conference.

9 On March 9, 2010, a Procedural Order was issued setting a procedural conference on March  
10 12, 2010, for the purpose of addressing proper and appropriate notice related to any rate consolidation  
11 proposal made in this docket, the Company's March 5, 2010 Request for Additional Intervention; and  
12 the proposed changes to the procedural schedule.

13 On March 12, 2010, the procedural conference was held as scheduled. Appearances were  
14 entered through counsel for Anthem Community Council, the Resorts, RUCO, Paradise Valley and  
15 Staff.

16 On March 15, 2010, pursuant to Arizona Supreme Court Rule 38(a), Robert J. Saperstein, an  
17 attorney with Brownstein Hyatt Farber Schreck, LLP, filed with the Commission a Motion and  
18 Consent of Local Counsel for *Pro Hac Vice* Admission of Bradley J. Herrema in the above-captioned  
19 matter, on behalf of the Anthem Golf and Country Club.

20 On March 16, 2010, Arizona-American filed a Notice of Filing Form of Notice. The  
21 Company indicated that it circulated a form of notice addressing the issue of rate consolidation to all  
22 parties to this proceeding, and that the form of notice included in the filing incorporated all comments  
23 received from the parties.

24 On March 18, 2010, a Procedural Order was issued bifurcating the hearing in this matter into  
25 two phases, with the second phase to include Commission consideration of rate design and rate  
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27 Raymond Goldy, Lance Ryerson, Patricia Elliott, Boyd Taylor, Keith Doner, Hallie McGraw, Rebecca M. Szimhardt,  
28 Wilma E. Miller, Joe M. Souza, Steven D. Colburn, Shanni Ramsay, Dennis Behmer, Ann Robinett, Betty Newland, Don  
Grubbs, Liz Grubbs, Mike Kleman, Jacquelyn Valentino, Louis Wilson, Ikuko Whiteford, Marshall Magruder, the  
Camelback Inn and Sanctuary on Camelback Mountain, Tom Sockwell, Andy Panasuk, Thomas J. Ambrose, and PORA.

1 consolidation issues, and setting associated procedural deadlines. The procedural order also granted  
2 the Motion and Consent of Local Counsel for *Pro Hac Vice* Admission of Bradley J. Herrema.

3 On March 23, 2010, a Procedural Order was issued setting a public comment session on April  
4 7, 2010, in order to allow customers of Arizona-American to provide public comment for the record  
5 in this case.

6 On April 2, 2010, Arizona-American filed a Motion to Extend Deadline to File Rebuttal  
7 Testimony in which the Company requested two additional days, until April 7, 2010, to file its  
8 rebuttal testimony on the issue of rate design, including Staff's rate consolidation proposals.  
9 Arizona-American indicated in its request that none of the parties has an objection to the extension.

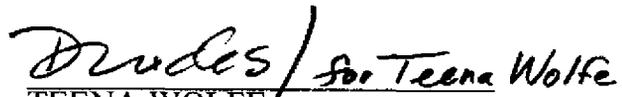
10 Arizona-American's request is reasonable and should be granted. The deadline for the  
11 Company to respond to Staff's rate consolidation proposals should also be extended.

12 IT IS THEREFORE ORDERED that Arizona-American's request for an additional two days,  
13 until April 7, 2010, to file its rebuttal testimony on the issue of rate design, including Staff's rate  
14 consolidation proposals is hereby granted.

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

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

21 DATED this 2<sup>nd</sup> day of April, 2010.

22  
23   
24 TEENA WOLFE  
25 ADMINISTRATIVE LAW JUDGE  
26  
27  
28

1 Copies of the foregoing mailed/delivered  
this 2nd day of April, 2010 to:

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By:   
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