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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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6 IN THE MATTER OF THE APPLICATION OF
 7 LITTLE PARK WATER COMPANY INC. FOR
 8 APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02192A-09-0531

PROCEDURAL ORDER

9 **BY THE COMMISSION:**

10 On November 18, 2009, Little Park Water Company Inc. ("Little Park") filed with the
 11 Arizona Corporation Commission ("Commission") an application for a rate increase, using a test year
 12 ("TY") ending June 30, 2009, and requesting an increase in revenues of \$47,672, or approximately
 13 112.53 percent, over unadjusted, unaudited TY total revenues of \$42,364. Little Park showed an
 14 unadjusted operating loss for the TY of \$13,389. Little Park proposes a pro forma adjustment to its
 15 TY revenues of \$22,200, which would bring its adjusted TY total revenues to \$64,564. Little Park
 16 did not include an affidavit regarding customer notification with its application.

17 On December 7, 2009, Little Park filed an affidavit stating that notice had been mailed to its
 18 customers on November 16, 2009. Little Park included a copy of the notice, which included a copy
 19 of its current and proposed rates and charges as shown on pages 9 and 11 of its application. In the
 20 customer notice form, Little Park stated that it had a TY operating loss of \$26,500 and that it was
 21 requesting an increase of \$47,460 or 62.84 percent of total revenues.

22 On December 8, 2009, by Procedural Order, Little Park was required to provide its customers
 23 revised notice and to file certification of notice. The revised notice eliminated the potentially
 24 misleading information included in the original customer notice.

25 On December 18, 2009, the Commission's Utilities Division ("Staff") issued a Letter of
 26 Sufficiency stating that Little Park's application had met the sufficiency requirements in Arizona
 27 Administrative Code R14-2-103 and classifying Little Park as a Class E water utility.

28

1 On December 23, 2009, Little Park filed certification that notice had been mailed to its
2 customers on December 17, 2009, along with a copy of the notice provided. Little Park also filed
3 revised proposed service line and meter installation charges and miscellaneous service charges.

4 On February 18, 2010, Staff issued a Staff Report recommending approval of Little Park's
5 rate increase application using Staff's recommended rates and charges.

6 On February 24, 2010, Staff issued a Notice of Errata including a revised Schedule DRE-4
7 page 2 of 2, to bring Schedule DRE-4 into conformance with Staff's recommendations in the body of
8 the Staff Report pertaining to service line and meter installation charges.

9 Between February 5 and February 25, 2010, 16 customer comments were filed opposing the
10 level of revenue increase requested by Little Park.

11 On February 25, 2010, Little Park filed a request for an extension of time, until March 8,
12 2010, to file its response to the Staff Report. Little Park indicated that it had contacted counsel for
13 Staff and that Staff was agreeable to the extension.

14 On February 26, 2010, a Procedural Order was issued granting Little Park an extension until
15 March 15, 2010, and extending the Commission's deadline to issue a decision in this matter by 14
16 days.

17 Between March 1 and March 30, 2010, 5 customer comments were filed opposing the level of
18 revenue increase requested by Little Park.

19 On March 16, 2010, Little Park filed its Objections and Responses to Staff Report, in which
20 Little Park expressed disagreement with Staff's plant-in-service adjustments, accumulated
21 depreciation adjustments, rate case expense adjustments, depreciation expense calculations, operating
22 margin recommendation, apparent miscalculation of a median 5/8" x 3/4" customer bill under Little
23 Park's proposed rates, and rate design. Little Park included supporting schedules, but did not provide
24 additional documentation to support its position, such as invoices for disputed plant items or rate case
25 expenses or excerpts to support its assertions related to generally accepted accounting principle
26 ("GAAP") requirements.

27 Staff has not filed a response to Little Park's Objections and Responses to Staff Report.
28 Because Little Park has taken issue with a number of Staff's recommendations and has asserted that

1 GAAP supports Little Park's position, it would be helpful for the Commission to receive Staff's
2 response to Little Park's Objections and Response. In addition, it may be helpful for the Commission
3 to receive any response that Little Park may have to such Staff response. Thus, it is appropriate to
4 require the parties to prepare and file such responsive documents and to extend the Commission's
5 deadline for issuing a decision in this matter so as to accommodate the filing of the documents.

6 IT IS THEREFORE ORDERED that **Staff shall, by April 19, 2010, file a detailed response**
7 **to Little Park's Objections and Responses to Staff Report**, including any revisions that Staff may
8 have to its recommendations and any documentation that supports Staff's position.

9 IT IS FURTHER ORDERED that **Little Park shall, by May 3, 2010, file any response that**
10 **it may have to Staff's detailed response.**

11 IT IS FURTHER ORDERED that **the Commission's deadline to issue a decision in this**
12 **matter is hereby extended by 30 days.**

13 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
14 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission
15 *pro hac vice*.

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

18 DATED this 5th day of April, 2010.



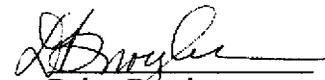
SARAH N. HARPRING
ADMINISTRATIVE LAW JUDGE

22 Copies of the foregoing mailed/delivered
23 this 5th day of April, 2010, to:

24 Steve Gudovic, President
LITTLE PARK WATER COMPANY, INC.
45 Castle Rock Road, #4
25 Sedona, AZ 86351

Steven M. Olea, Director, Utilities Division
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By: 
Debra Broyles
Secretary to Sarah N. Harpring