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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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APR 14 2010

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2 COMMISSIONERS

3 KRISTIN K. MAYES - Chairman 2010 APR 14 A 9:30
4 GARY PIERCE
5 PAUL NEWMAN
6 SANDRA D. KENNEDY
7 BOB STUMP

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

8 IN THE MATTER OF THE APPLICATION OF
9 FAR WEST WATER & SEWER COMPANY FOR
A DETERMINATION OF THE FAIR VALUE OF
ITS SEWER UTILITY PLANT AND PROPERTY
AND FOR INCREASES IN ITS RATES.

DOCKET NO. WS-03478A-08-0454

PROCEDURAL ORDER

10 **BY THE COMMISSION:**

11 On August 29, 2008, Far West Water & Sewer Company ("Far West" or "Company") filed
12 with the Arizona Corporation Commission ("Commission") an application for a rate increase for its
13 sewer utility service ("Permanent Rate Case").

14 On December 19, 2008, Far West filed an emergency application for the immediate
15 implementation of interim rates for sewer service, which rates, if granted, would have been effective
16 until a Decision was issued in the Permanent Rate Case. See Docket No. WS-03478A-08-00608. By
17 Procedural Order dated January 26, 2009 the procedural schedule in the Permanent Rate Case was
18 suspended pending the completion of the emergency application.

19 The Commission denied the emergency rate request at an Open Meeting on December 16,
20 2009. A Procedural Conference for the purpose of re-establishing the procedural schedule in the
21 Permanent Rate Case convened on January 20, 2010. At the January Procedural Conference, the
22 Company was represented by new counsel. At that time, concerns were expressed about the staleness
23 of the original test year and usefulness of processing the permanent rate case without the new
24 wastewater treatment facilities being completed and operational. The parties agreed to a status
25 conference in approximately 6 to 8 weeks to allow new counsel to review the situation and for the
26 parties to confer on a plan for moving forward.

27 By Procedural Order dated January 21, 2010, a status conference was set for March 24, 2010.
28 The Company, RUCO and Staff appeared. The Company reported that it was close to finalizing an

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1 agreement with the Arizona Department of Environmental Quality (“ADEQ”), which it stated is
2 necessary before the Company can attract new capital. The Company further reported that it planned
3 to file a request to withdraw the Permanent Rate Case application, and filing a new rate application
4 after it completed the new sewer plant. All parties agreed that a new application, with an updated test
5 year, is in the public interest. In addition, the parties agreed that the evidence collected in both the
6 emergency rate case docket and this docket should be made part of the record in the forthcoming rate
7 case.

8 On March 24, 2010, following the Procedural Conference, Far West filed a Motion to
9 Withdraw Application.

10 During the March 24, 2010 Procedural Conference, Staff noted that the Commission directed
11 Staff to investigate, as part of the permanent rate case, whether an interim operator for Far West is in
12 the public interest. Keeping the current rate case docket open will provide a depository for
13 information related to Staff’s investigation until a new rate case docket is opened. In addition, the
14 Company should file in this docket periodic updates on the status of its agreement with ADEQ, its
15 ability to attract new capital, and its progress on the completion of its wastewater capital project.
16 Consequently, Far West’s Motion to Withdraw will held in abeyance pending the submission of a
17 future rate case.

18 IT IS THEREFORE ORDERED that **Far West’s Motion to Withdraw Application shall be**
19 **held in abeyance and the current rate case suspended** pending the filing of a new permanent rate
20 case, and this docket shall remain open as discussed herein.

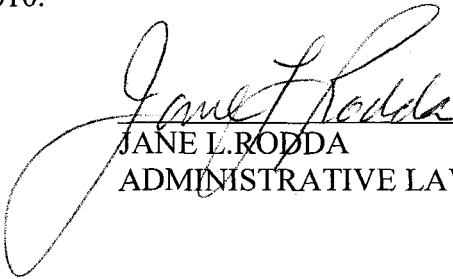
21 IT IS FURTHER ORDERED that **Far West shall file periodic reports with Docket Control**
22 **in this docket**, addressing the status of its agreement with ADEQ, its ability to attract capital, and
23 progress on its wastewater construction project **at any time it has new information, but not less**
24 **than the first of every other month commencing May 1, 2010, until it has filed a new sufficient**
25 **permanent rate application.**

26 IT IS FURTHER ORDERED that the record established in this docket, as well as Docket No.
27 WS-03478A-08-0608 shall be incorporated in the record of the anticipated future permanent rate
28 case.

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

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

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7 DATED this 13th day of April, 2010.

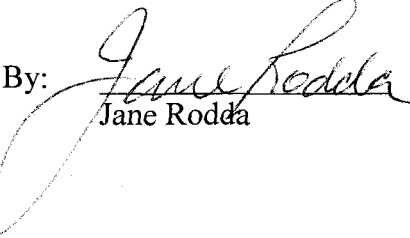
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9 
JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

10 Copies of the foregoing mailed
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