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**BEFORE THE ARIZONA CORPORATION COMMISSION
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Arizona Corporation Commission
DOCKETED

APR 19 2010

2 COMMISSIONERS

3 KRISTIN K. MAYES - Chairman 2010 APR 19 A 11: 46
4 GARY PIERCE
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6 SANDRA D. KENNEDY
7 BOB STUMP

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY

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.

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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 On April 5, 2010, a Procedural Order was issued requiring Staff, by April 19, 2010, to file a
28 detailed response to Little Park's Objections and Responses to Staff Report, to include any revisions

1 to Staff's recommendations and any documentation supporting Staff's position; requiring Little Park
2 to file, by May 3, 2010, any response that it may have to Staff's detailed response; and extending the
3 Commission's deadline to issue a decision by 30 days.

4 On April 16, 2010, Staff filed a Request for Extension of Time to File Response to
5 Company's Objections and Responses, stating that Staff and Little Park are meeting on April 19,
6 2010, to allow Little Park to provide Staff with additional documentation, and that Staff needs
7 additional time to analyze any new information provided by the Company, to make any adjustments
8 appropriate as a result of the new information, and to provide its detailed response to Little Park's
9 Objections. Staff requests that its filing deadline be extended to May 10, 2010, and that Little Park's
10 filing deadline be extended to May 24, 2010. Staff further asserted that Little Park has stated that it
11 does not object to the requested extensions or to any necessary extension of the Commission's time
12 frame to issue a decision in this matter.

13 Because Little Park does not object to Staff's request, and it is important to allow Staff
14 sufficient time to obtain, analyze, and make any necessary adjustments resulting from the additional
15 information to be provide by Little Park, it is appropriate to grant Staff's request for an extension to
16 file its detailed response and to extend Little Park's filing deadline and the Commission's time frame
17 to issue a decision accordingly.

18 **IT IS THEREFORE ORDERED that Staff shall, by May 10, 2010, file a detailed response**
19 **to Little Park's Objections and Responses to Staff Report**, including any revisions that Staff may
20 have to its recommendations and any documentation that supports Staff's position.

21 **IT IS FURTHER ORDERED that Little Park shall, by May 24, 2010, file any response**
22 **that it may have to Staff's detailed response.**

23 **IT IS FURTHER ORDERED that the Commission's deadline to issue a decision in this**
24 **matter is hereby extended by an additional 21 days.**

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

28 ...

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

3 DATED this 19th day of April, 2010.

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5 
6 SARAH N. HARPRING
ADMINISTRATIVE LAW JUDGE

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

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

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

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

16 By: 
17 Debra Broyles
18 Secretary to Sarah N. Harpring

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