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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

- KRISTIN K. MAYES, Chairman
- GARY PIERCE
- PAUL NEWMAN
- SANDRA D. KENNEDY
- BOB STUMP

IN THE MATTER OF THE APPLICATION OF THE ESTATE OF WILLIAM F. RANDALL D/B/A VALLE VERDE WATER COMPANY FOR AN INCREASE IN ITS WATER RATES.

DOCKET NO. W-01431A-09-0360

IN THE MATTER OF THE APPLICATION OF THE ESTATE OF WILLIAM F. RANDALL D/B/A VALLE VERDE WATER COMPANY FOR AUTHORITY TO INCUR LONG-TERM DEBT.

DOCKET NO. W-01431A-09-0361

PROCEDURAL ORDER

BY THE COMMISSION:

The Arizona Corporation Commission ("Commission") held a hearing on the above-captioned consolidated rate application and financing application at its offices in Tucson, Arizona, on April 22, 2010.

At an Open Meeting on May 13, 2010, the Commission voted to conduct a Public Comment meeting on the consolidated matter in, or near, the local service area.

IT IS THEREFORE ORDERED that the Estate of William F. Randall d/b/a Valle Verde Water Company ("VVWC"), shall provide public notice of the public comment meeting in this consolidated matter, in the following form and style with the heading in no less than 16-point bold type and the body in no less than 10-point regular type:

**PUBLIC NOTICE OF A
PUBLIC COMMENT MEETING ON THE APPLICATIONS OF
THE ESTATE OF WILLIAM F. RANDALL D/B/A VALLE VERDE WATER COMPANY
FOR AN INCREASE IN ITS WATER RATES
AND FOR AUTHORITY TO INCUR LONG-TERM DEBT
(DOCKET NOS. W-01431A-09-0360 AND W-01431A-09-0361)**

Summary

On July 17, 2009, the Estate of William F. Randall d/b/a Valle Verde Water Company ("VVWC" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for an increase in its water rates, and also filed an application for authority to incur long-term debt. The Commission held an evidentiary hearing in this consolidated matter on April 22, 2010, at its offices in Tucson, Arizona.

1 In its July 17, 2009, rate application VVWC sought an increase in annual revenues of
 2 \$497,753, an approximate 109.3 percent increase in annual revenue over its 2008
 3 revenues. Under the rates proposed by the Company a residential customer with a 5/8
 4 x 3/4-inch meter and average usage of 7,550 gallons per month would experience a
 5 monthly increase of \$39.21, or 193.4 percent, from \$20.27 to \$59.48, and a
 commercial customer with a 5/8 x 3/4-inch meter and average usage of 7,769 gallons
 per month would experience an increase of \$39.91, or 194.2 percent, from \$20.55 to
 \$60.46. The Company also currently charges a monthly emergency surcharge, which
 will be discontinued upon approval by the Commission of new rates.

6 At hearing on April 22, 2010, the Company indicated it intends to propose a modified
 7 rate request, the terms of which will be set forth in a filing to be provided to the
 Commission no later than May 27, 2010.

8 The Company is requesting Commission approval of the rate increase, in part, to
 9 provide debt service on a long-term loan in the amount of \$1,313,938. Proceeds from
 the loan will fund upgrades to the water system, including arsenic treatment facilities,
 and improvements to the distribution system.

10 The Commission will determine the appropriate rate relief to be granted based on the
 11 evidence of record in this proceeding, and is not bound by the proposals made by the
 Company or Staff. Therefore, the final rates approved in this docket may be lower or
 12 higher than the rates described above.

13 **How You Can View or Obtain a Copy of the Rate Proposal**

14 Copies of the applications and original proposed rates are available from VVWC
 15 [COMPANY INSERT HOW AND WHERE AVAILABLE] and at the
 Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona,
 and in its Tucson office, 400 West Congress, Room 218, Tucson, Arizona for public
 inspection during regular business hours and on the Internet via the Commission's
 website (www.azcc.gov) using the e-Docket function.

17 Copies of the Company's modified rate proposal will be available after May 27, 2010,
 18 from the sources listed above. Additionally, a summary of the modified rate proposal
 will be available for customer review at a Public Comment meeting on June 2, 2010.
 (See below.)

19 **Arizona Corporation Commission Public Comment Information**

20 The Commission will hold a **Public Comment Meeting on June 2, 2010,**
 21 **commencing at 7:00 p.m., or upon completion of the public comment meeting in**
Docket No. WS-02676A-09-0257, whichever is later, at the Santa Cruz County
 22 **Board of Supervisors, Conference Room, 2150 N. Congress Drive, Nogales,**
Arizona 85621, to receive public comment on the consolidated matters, including
 environmental concerns.

23 **ADA/Equal Access Information**

24 The Commission does not discriminate on the basis of disability in admission to its
 25 public meetings. Persons with a disability may request a reasonable accommodation
 such as a sign language interpreter, as well as request this document in an alternative
 26 format, by contacting the ADA Coordinator, Guadalupe Ortiz, E-mail
 gnortiz@azcc.gov, voice phone number 602/542-3931. Requests should be made as
 27 early as possible to allow time to arrange the accommodation.

1 IT IS FURTHER ORDERED that VVWC shall as soon as possible have the public notice
2 published in a newspaper of local circulation in its service territory.

3 IT IS FURTHER ORDERED that VVWC shall file certification of publication as soon as
4 practicable after the publication has been completed.

5 IT IS FURTHER ORDERED that notice shall be deemed complete upon publication of same,
6 notwithstanding the failure of an individual customer to read or receive the notice.

7 IT IS FURTHER ORDERED that VVWC shall prepare a summary of its modified rate
8 proposal and shall make copies of the summary available at the June 2, 2010, Public Comment
9 meeting.

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

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

16 DATED this 19th day of May, 2010.


BELINDA A. MARTIN
ADMINISTRATIVE LAW JUDGE

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

21 Steve Wene, Esq.
22 MOYES STOREY, LTD
1840 North Central Avenue, Suite 1100
Phoenix, AZ 85004

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23 Janice Alward, Chief Counsel
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26 Steven M. Olea, Director
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By: 
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