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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

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IN THE MATTER OF THE APPLICATION
OF ABRA WATER COMPANY, INC. FOR
APPROVAL OF A RATE INCREASE.

DOCKET NO. W-01782A-10-0224

PROCEDURAL ORDER
SETTING A HEARING

BY THE COMMISSION:

On June 4, 2010, Abra Water Company, Inc. ("Abra" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a permanent increase in its water rates and charges, using a test year ending December 31, 2009. Abra's application requests an increase in rates to generate an additional \$90,137.24 over total test year revenues. The Company's application states its unaudited test year results show an operating loss of \$37,071, and that the rate increase is needed due to inflation, compliance with Federal regulations, increased operating costs, and a decrease in customer base.

On June 30, 2010, the Commission's Utilities Division ("Staff") filed a Letter of Deficiency stating that Abra's application had not met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C.").

On July 16, 2010, Abra filed response to Staff's Letter of Deficiency. The Company also requested a waiver from A.A.C. R14-2-103 requirements regarding schedules for the rate application for Class "C" water utilities.

On August 19, 2010, Staff filed a Letter of Sufficiency in this docket stating that Abra's application had met the sufficiency requirements as outlined in A.A.C. R14-2-103 and that Abra has been classified as a Class C utility.

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

1 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
2 commence on **February 17, 2011, at 10:00 a.m.**, or as soon thereafter as is practicable, at the
3 Commission's offices, 1200 West Washington Street, Room 100, Phoenix, Arizona 85007.

4 IT IS FURTHER ORDERED that the **Staff Report or direct testimony and associated**
5 **exhibits** to be presented at hearing by **Staff** shall be reduced to writing and filed on or before
6 **November 29, 2010.**

7 IT IS FURTHER ORDERED that the **direct testimony and associated exhibits** to be
8 presented at hearing by intervenor (s) shall be reduced to writing and filed on or before **November**
9 **29, 2010.**

10 IT IS FURTHER ORDERED that the **rebuttal testimony and associated exhibits** to be
11 presented at hearing by **Abra** shall be reduced to writing and filed on or before **December 29, 2010.**

12 IT IS FURTHER ORDERED that the **surrebuttal testimony and associated exhibits** to be
13 presented at hearing by **Staff or intervenors** shall be reduced to writing and filed on or before
14 **January 17, 2011.**

15 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits** to be
16 presented at hearing by **Abra** shall be reduced to writing and filed on or before **February 1, 2011.**

17 IT IS FURTHER ORDERED that **any objections to testimony or exhibits** that have been
18 filed as of February 1, 2011, shall be made on or before **February 7, 2011.**

19 IT IS FURTHER ORDERED that **any substantive corrections, revisions, or supplements**
20 **to the pre-filed testimony** shall be reduced to writing and filed no later than **February 7, 2011.**

21 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
22 except that all **Motions to Intervene** must be filed on or before **October 29, 2010.**

23 IT IS FURTHER ORDERED that **any objections to intervention** shall be filed on or before
24 **November 15, 2010.**

25 IT IS FURTHER ORDERED that any motion filed in this matter, other than a motion to
26 intervene, that is not ruled upon by the Commission within 20 calendar days of the filing date of the
27 motion shall be deemed denied.

28

1 IT IS FURTHER ORDERED that any response to a motion, other than responses to motions
2 to intervene, shall be filed within five calendar days of the filing date of the motion.

3 IT IS FURTHER ORDERED that any reply related to a motion shall be filed within five
4 calendar days of the filing date of the response to the motion.

5 IT IS FURTHER ORDERED that **Abra shall provide public notice of the hearing** in this
6 matter, in the following form and style, with the heading in no less than 12-point bold type and the
7 body in no less than 10-point regular type:

8 **PUBLIC NOTICE OF THE APPLICATION OF ABRA WATER**
9 **COMPANY, INC. FOR APPROVAL OF A RATE INCREASE.**
10 **(DOCKET NO. W-01782A-10-0224)**

11 On June 4, 2010, Abra Water Company, Inc. ("Abra" or "Company") filed with the
12 Arizona Corporation Commission ("Commission") an application for a permanent
13 increase in its water rates and charges, using a test year ending December 31, 2009.
14 Abra's rate application requests an increase of \$90,137.24 over total test year
15 revenues. Abra's application states that its unaudited results show an operating loss of
16 \$37,071 for the test year. Under Abra's proposed rates, the minimum monthly charge
17 for a customer served by a 5/8" x 3/4" meter would increase from \$11.55 to \$17.50,
18 and the commodity rates assessed to such a customer would increase from \$2.37 to
19 \$3.25 per thousand gallons usage up to 3,000 gallons, from \$2.55 to \$3.50 per
20 thousand gallons for usage between 3,001 and 10,000 gallons, and from \$2.78 to \$3.75
21 per thousand gallons for usage exceeding 10,000 gallons. The application states that a
22 rate increase is needed due to inflation, compliance with Federal regulations, increased
23 operating costs, and a decrease in customer base. Under Abra's proposed rates,
24 customers served by other meter sizes would also experience increases in both
25 minimum monthly charges and commodity rates.

26 The Commission's Utilities Division Staff ("Staff") has not yet made a
27 recommendation regarding Abra's application, and the Commission is not bound by
28 the proposals made by Abra, Staff, or any intervenors. The Commission will issue a
Decision regarding Abra's application following consideration of testimony and
evidence presented at an evidentiary hearing. The final rates approved by the
Commission may be higher or lower than those proposed by Abra.

A copy of the application is available at Abra's offices [insert addresses] and at the
Commission's offices at 1200 West Washington Street, Phoenix, Arizona, for public
inspection during regular business hours, and on the internet via the Commission
website (www.azcc.gov) using the e-docket function.

The Commission will hold a hearing on the application on **February 17, 2011, at
10:00 a.m.**, at the Commission's offices, 1200 West Washington Street, Room 100,
Phoenix, Arizona. Public comments will be taken on the first day of the hearing.
Written public comments may be submitted via e-mail (visit
http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf. for instructions),
or by mailing a letter referencing Docket No. W-01782A-10-0224 to: Arizona
Corporation Commission, Consumer Services Section, 1200 West Washington Street,

1 Phoenix, Arizona 85007. If you require assistance, you may contact the Consumer
2 Services Section at 1-800-222-7000 or 602-542-4251.

3 The law provides for an open public hearing at which, under appropriate
4 circumstances, interested parties may intervene. Any person or entity entitled by law
5 to intervene and having a direct and substantial interest in the matter will be permitted
6 to intervene. If you wish to intervene, you must file an original and 13 copies of a
7 written motion to intervene with the Commission no later than **October 29, 2010**, and
8 send a copy of the motion to Abra or its counsel and to all parties of record. Your
9 motion to intervene must contain the following:

- 10 1. Your name, address, and telephone number and the name, address, and
11 telephone number of any person upon whom service of documents is to be
12 made, if not yourself;
- 13 2. A short statement of your interest in the proceeding (e.g., a customer of
14 Abra, etc.); and
- 15 3. A statement certifying that you have mailed a copy of the motion to
16 intervene to Abra or its counsel and to all parties of record in the case.

17 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
18 that all motions to intervene must be filed on or before **October 29, 2010**. If
19 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
20 Court, intervention will be conditioned upon the intervenor's obtaining counsel to
21 represent the intervenor. For information about requesting intervention, visit the
22 Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.
23 The granting of intervention, among other things, entitles a party to present sworn
24 evidence at hearing and to cross-examine other witnesses. However, failure to
25 intervene will not preclude any interested person or entity from appearing at the
26 hearing and providing public comment on the application or from filing written
27 comments in the record of the case.

28 The Commission does not discriminate on the basis of disability in admission to its
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
format, by contacting the ADA Coordinator Shaylin Bernal, E-mail
sabernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as
early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that **Abra shall mail a copy of the above notice** to each of its
customers in its service area and **shall cause the above notice to be published** at least once in
newspaper of general circulation in its service territory, with **publication and mailing** to be
completed no later than **September 27, 2010**.

IT IS FURTHER ORDERED that **Abra shall file certification of mailing and publication**
as soon as practicable after mailing/publication has been completed, but not later than **October 18,**
2010.

1 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing/ publication,
2 notwithstanding the failure of an individual customer to read or receive the notice.

3 IT IS FURTHER ORDERED that **Staff** shall file a response to Abra's request for waiver of
4 A.A.C. R14-2-103 on or before **September 10, 2010**.

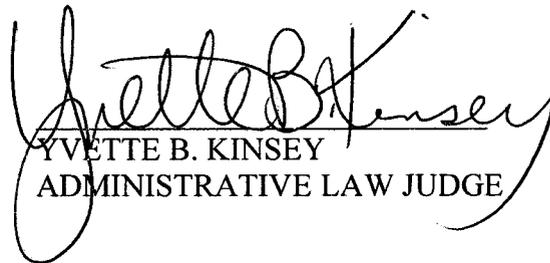
5 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
6 Communications) applies to this proceeding, as the matter is now set for public hearing, and shall
7 remain in effect until the Commission's Decision in this matter is final and non-appealable.

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

11 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
12 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
13 rules of the Arizona Supreme Court). Representation before the Commission includes the obligation
14 to appear at all hearings, procedural conferences, and Open Meetings for which the matter is
15 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
16 Administrative Law Judge or Commission.

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

19 DATED this 30th day of August, 2010.

21
22 
23 YVETTE B. KINSEY
24 ADMINISTRATIVE LAW JUDGE

25 Copies of the foregoing mailed
26 this 30th day of August, 2010, to:

27 Kevin Larson, President
28 ABRA WATER COMPANY, INC.
P.O. Box 515
Paulden, AZ 86334

1 Janice Alward, Chief Counsel
2 Legal Division
3 ARIZONA CORPORATION COMMISSION
4 1200 West Washington Street
5 Phoenix, Arizona 85007

6 Steven Olea, Director
7 ARIZONA CORPORATION COMMISSION
8 1200 West Washington Street
9 Phoenix, Arizona 85007

10 ARIZONA REPORTING SERVICE, INC.
11 2200 North Central Avenue, Suite 502
12 Phoenix, AZ 85004-1481

13 By: 
14 Debra Broyles
15 Secretary to Yvette B. Kinsey
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