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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

2010 DEC -9 A 10:49

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

DEC 9 2010

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IN THE MATTER OF THE APPLICATION OF DONEY PARK WATER, A MEMBER OWNED NON-PROFIT CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS PROPERTY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RETURN THEREON, AND TO APPROVE RATES DESIGNED TO DEVELOP SUCH RETURN.

DOCKET NO. W-01416A-10-0450

RATE CASE  
PROCEDURAL ORDER

BY THE COMMISSION:

On November 3, 2010, Doney Park Water Company ("Doney Park") filed with the Arizona Corporation Commission ("Commission") an application for a permanent rate increase. Specifically, Doney Park requests authorization to increase its rates to generate an additional \$646,487 in annual revenues, approximately a 32.58% increase over its reported adjusted test year revenues of \$1,984,154. In its application, Doney Park used a test year ending December 31, 2009.

On December 7, 2010, the Commission's Utilities Division Staff ("Staff") issued a Letter of Sufficiency stating that Doney Park's application has met the sufficiency requirements outlined in Arizona Administrative Code ("A.A.C.") R14-2-103 and that Doney Park has been classified as a Class B utility.

Pursuant to A.A.C. R14-2-103 and R14-3-101 et seq., the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that the hearing in the above-captioned matter shall commence on **August 22, 2011, at 9:00 a.m.**, or as soon thereafter as is practicable, at the Commission's offices, Hearing Room #1, 1200 West Washington, Phoenix, Arizona 85007. **Additional hearing dates** shall proceed on **August 25 and 26, 2011, at 9:00 a.m.**, in Hearing Room #1, if necessary.

1 IT IS FURTHER ORDERED that a **prehearing conference** shall be held on **August 15,**  
2 **2011, at 1:00 p.m.,** or as soon thereafter as is practicable, at the Commission's offices, Hearing  
3 Room #1, 1200 West Washington, Phoenix, Arizona 85007.

4 IT IS FURTHER ORDERED that the **testimony and associated exhibits** to be presented at  
5 hearing by **Staff** shall be reduced to writing and filed on or before **June 6, 2011.**

6 IT IS FURTHER ORDERED that the **testimony and associated exhibits** to be presented at  
7 hearing by an **intervenor** shall be reduced to writing and filed on or before **June 6, 2011.**

8 IT IS FURTHER ORDERED that the **rebuttal testimony and associated exhibits** to be  
9 presented at hearing by **Doney Park** shall be reduced to writing and filed on or before **July 5, 2011.**

10 IT IS FURTHER ORDERED that the **surrebuttal testimony and associated exhibits** to be  
11 presented at hearing by **Staff or intervenors** shall be reduced to writing and filed on or before **July**  
12 **26, 2011.**

13 IT IS FURTHER ORDERED that the **rejoinder testimony and associated exhibits** to be  
14 presented at hearing by **Doney Park** shall be reduced to writing and filed on or before **August 9,**  
15 **2011.**

16 IT IS FURTHER ORDERED that any **objections to testimony or exhibits that have been**  
17 **prefiled as of August 9, 2011, shall be made before or at the August 15, 2011, prehearing**  
18 **conference.**

19 IT IS FURTHER ORDERED that each party shall individually prepare, and bring to the  
20 **prehearing conference, copies of an issues matrix setting forth all disputed issues in the case.**  
21 **Each party's matrix shall indicate the position of each party on each disputed issue and shall**  
22 **indicate whether the issue remains in dispute or has been resolved and, if it has been resolved,**  
23 **in what manner.**

24 IT IS FURTHER ORDERED that all **testimony** filed shall include a **table of contents** listing  
25 the issues discussed therein.

26 IT IS FURTHER ORDERED that all **filings shall be made by 4:00 p.m. on the date the**  
27 **filing is due, unless otherwise indicated herein.**

28 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to

1 prefiled testimony shall be reduced to writing and filed no later than **noon on August 15, 2011.**

2 IT IS FURTHER ORDERED that the parties shall prepare a brief written **summary** of the  
3 prefiled testimony of their witnesses and shall file each summary by **noon on August 11, 2011.**

4 IT IS FURTHER ORDERED that copies of the summaries shall be served upon the  
5 Administrative Law Judge, the Commissioners, the Commissioners' Advisors, and the parties of  
6 record.

7 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-  
8 105, except that all motions to intervene must be filed on or before **May 3, 2011.**

9 IT IS FURTHER ORDERED that any **objections to intervention** shall be filed on or before  
10 **May 24, 2011.**

11 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by  
12 the Commission within 20 calendar days of the filing date of the motion shall be deemed denied.

13 IT IS FURTHER ORDERED that any responses to motions shall be filed within five calendar  
14 days of the filing date of the motion.

15 IT IS FURTHER ORDERED that any replies shall be filed within five calendar days of the  
16 filing date of the response.

17 IT IS FURTHER ORDERED that Doney Park shall provide public notice of the hearing in  
18 this matter, in the following form and style, with the heading in no less than 12-point bold type and  
19 the body in no less than 10-point regular type:

20  
21 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF DONEY PARK**  
22 **WATER COMPANY FOR A PERMANENT RATE INCREASE.**  
**(Docket No. W-01416A-10-0450)**

23 **Summary**

24 On November 3, 2010, Doney Park Water Company ("Doney Park") filed with the  
25 Arizona Corporation Commission ("Commission") an application for a permanent rate  
26 increase. Specifically, Doney Park requests authorization to increase its rates to  
27 generate an additional \$646,487 in annual revenues, approximately a 32.58% increase  
28 over its reported adjusted test year revenues of \$1,984,154. In its application, Doney  
Park uses a test year ending December 31, 2009. Doney Park states that the rate  
increase is needed because it has experienced annual operating losses in excess of  
\$300,000 for the past three years and, without rate relief, will not be able to pay its  
operating expenses, service its debt, and fund the capital improvements necessary to  
continue to provide adequate and reliable domestic water service to its member-  
customers.

1 The rate application requests an increase in monthly minimum charges for all  
 2 customers other than commercial customers served by 3/4" or smaller meters (who  
 3 would be charged the same rate as residential customers with the same meter size);  
 4 elimination of the distinction between winter and summer rates; adoption of three-  
 5 tiered commodity rates for 3/4" and smaller meter customers; adoption of different tier  
 6 breakover points by meter size, with increasing second-tier breakover points, for  
 meters larger than 3/4"; and, for the most part, increased commodity rates. The rate  
 application also requests increases in most service charges and adoption of "at cost"  
 meter and service line charges. For a residential customer served by a 5/8" x 3/4"  
 meter, with average monthly usage of 5,581 gallons, the proposed rates would increase  
 the winter monthly bill from \$44.26 to \$58.87 and the summer monthly bill from  
 \$45.26 to \$58.87, for an increase of 33% in the winter and 30% in the summer.

7 The Commission's Utilities Division Staff ("Staff") is in the process of auditing and  
 8 analyzing Doney Park's records and has not yet made a recommendation regarding the  
 9 rate application. The Commission will determine the appropriate relief to be granted  
 10 based on the evidence of record in the proceeding. The Commission is not bound by  
 the proposals made by Doney Park, Staff, or any intervenors. The final rates approved  
 may differ from and be either higher or lower than the rates requested by Doney Park.

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

12 Copies of the application and proposed rates are available at Doney Park's offices  
 13 [COMPANY INSERT ADDRESS HERE] and at the Commission's Docket Control  
 Center at 1200 West Washington, Phoenix, 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.

#### 14 **Commission Public Hearing Information**

15 The Commission will hold a hearing on this matter beginning **August 22, 2011, at**  
 16 **9:00 a.m.**, at the Commission's offices, Hearing Room #1, 1200 West Washington  
 Street, Phoenix, Arizona. Public comments will be taken on the first day of the  
 17 hearing. Written public comments may be submitted by mailing a letter referencing  
 Docket No. W-01416A-10-0450 to Arizona Corporation Commission, Consumer  
 Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a  
 18 form to use and instructions on how to e-mail comments to the Commission, go to  
[http://www.azcc.gov/divisions/utilitiestest/forms/public\\_comment.pdf](http://www.azcc.gov/divisions/utilitiestest/forms/public_comment.pdf). If you require  
 19 assistance, you may contact the Consumer Services Section at 1-800-222-7000 or 602-  
 542-4251.

#### 20 **About Intervention**

21 The law provides for an open public hearing at which, under appropriate  
 22 circumstances, interested parties may intervene. Any person or entity entitled by law  
 to intervene and having a direct and substantial interest in the matter will be permitted  
 23 to intervene. If you desire to intervene, you must file a written motion to intervene  
 with the Commission no later than **May 3, 2011**. You must send a copy of the motion  
 to intervene to Doney Park or its counsel and to all parties of record. Your motion to  
 intervene must contain the following:

- 24 1. Your name, address, and telephone number and the name, address, and  
 25 telephone number of any person upon whom service of documents is to be  
 made, if not yourself;
- 26 2. A short statement of your interest in the proceeding (e.g., a customer of Doney  
 27 Park, etc.); and
- 28 3. A statement certifying that you have mailed a copy of the motion to intervene  
 to Doney Park or its counsel and to all parties of record in the case.

1 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except  
2 that all motions to intervene must be filed on or before May 3, 2011. If representation  
3 by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court,  
4 intervention will be conditioned upon the intervenor's obtaining counsel to represent  
5 the intervenor. For information about requesting intervention, visit the Commission's  
6 website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of  
7 intervention, among other things, entitles a party to present sworn evidence at the  
8 hearing and to cross-examine other witnesses. However, failure to intervene will not  
9 preclude any interested person or entity from appearing at the hearing and providing  
10 public comment on the application or from filing written comments in the record of  
11 the case.

7 **ADA/Equal Access Information**

8 The Commission does not discriminate on the basis of disability in admission to its  
9 public meetings. Persons with a disability may request a reasonable accommodation  
10 such as a sign language interpreter, as well as request this document in an alternative  
11 format, by contacting the ADA Coordinator, Shaylin Bernal, at [SABernal@azcc.gov](mailto:SABernal@azcc.gov),  
12 voice phone number (602) 542-3931. Requests should be made as early as possible to  
13 allow time to arrange the accommodation.

11 IT IS FURTHER ORDERED that, by **January 19, 2011**, Doney Park shall **mail to each**  
12 **current customer** a copy of the above notice and cause the above notice to be **published in a**  
13 **newspaper(s) of general circulation** in its service territory.

14 IT IS FURTHER ORDERED that Doney Park shall file **certification of mailing and**  
15 **publication** as soon as practicable after the mailing and publication has been completed, but **no later**  
16 **than February 18, 2011**.

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

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

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

28 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized

1 Communications) applies to this proceeding and shall remain in effect until the Commission's  
2 Decision in this matter is final and non-appealable.

3 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended  
4 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

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

8 DATED this 9<sup>th</sup> day of December, 2010.

9  
10   
11 SARAH N. HARPRING  
ADMINISTRATIVE LAW JUDGE

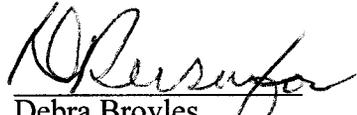
12 Copies of the foregoing mailed/delivered  
13 this 9<sup>th</sup> day of December, 2010, to:

14 William P. Sullivan  
15 Larry K. Udall  
CURTIS, GOODWIN, SULLIVAN, UDALL  
& SCHWAB, P.L.C.  
16 501 E. Thomas Road  
Phoenix, Arizona 85012-3205  
Attorneys for Doney Park Water

17  
18 Janice Alward, Chief Counsel  
Legal Division  
ARIZONA CORPORATION COMMISSION  
19 1200 W. Washington Street  
Phoenix, Arizona 85007

20  
21 Ernest Johnson, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
22 1200 W. Washington Street  
Phoenix, Arizona 85007

23  
24 ARIZONA REPORTING SERVICE, INC.  
2200 North Central Avenue, Suite 502  
Phoenix, Arizona 85004-1481

25  
26 By:   
27 Debra Broyles  
Secretary to Sarah N. Harpring

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