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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

COMMISSIONERS

- GARY PIERCE, Chairman
- BOB STUMP
- SANDRA D. KENNEDY
- PAUL NEWMAN
- BRENDA BURNS

IN THE MATTER OF THE APPLICATION OF
SOUTHWEST GAS CORPORATION FOR THE
ESTABLISHMENT OF JUST AND REASONABLE
RATES AND CHARGES DESIGNED TO
REALIZE A REASONABLE RATE OF RETURN
ON THE FAIR VALUE OF ITS PROPERTIES
THROUGHOUT ARIZONA.

DOCKET NO. G-01551A-10-0458

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On November 12, 2010, Southwest Gas Corporation ("SWG" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for an increase in rates for service provided in Arizona.

On December 13, 2010, the Commission's Utilities Division ("Staff") filed its Letter of Sufficiency indicating that SWG satisfied the requirements of Arizona Administrative Code ("A.A.C.") R14-2-103 and classifying the Company as a Class A utility.

On December 20, 2010, the Residential Utility Consumer Office filed an Application to Intervene.

On December 28, 2010, Staff filed a Request for Procedural Schedule. Staff proposes a procedural schedule in this case that would provide an opportunity for parties to engage in settlement discussions, as well as an alternative schedule to be followed in the event that a settlement agreement is not reached. **Staff's proposed procedural schedule is as follows:**

Staff/Intervenor Direct Testimony	June 10, 2011
Staff/Intervenor Rate Design Testimony	June 24, 2011
Commencement of Settlement Discussions	June 27, 2011
Settlement Agreement Filed	July 15, 2011
Testimony in Support/Opposition	July 29, 2011
Prehearing Conference	August 8, 2011
Hearing Commences	August 10, 2011

1 **In the event a settlement agreement is not reached, Staff proposes the following**
 2 **alternative procedural schedule:**

3	Staff/Intervenor Direct Testimony	June 10, 2011
4	Staff/Intervenor Rate Design Testimony	June 24, 2011
5	Commencement of Settlement Discussions	June 27, 2011
6	SWG Rebuttal Testimony	July 15, 2011
7	Staff/Intervenor Surrebuttal Testimony	August 22, 2011
8	SWG Rejoinder Testimony	September 2, 2011
9	Prehearing Conference	September 9, 2011
10	Hearing Commences	September 12, 2011

11 On January 4, 2011, Tucson Electric Power Company filed a Motion to Intervene.

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

14 **IT IS THEREFORE ORDERED** that the **hearing** in the above-captioned matter is hereby
 15 scheduled to commence on **August 10, 2011, at 10:00 a.m., if a settlement agreement is reached in**
 16 **accordance with Staff's proposed procedural schedule outlined above or, alternatively, on**
 17 **September 12, 2011, at 10:00 a.m., if a settlement agreement is not reached,** at the Commission's
 18 offices, 1200 West Washington Street, Hearing Room No. 1, Phoenix, Arizona 85007.

19 **IT IS FURTHER ORDERED** that a pre-hearing conference shall be held on **August 8, 2011,**
 20 **at 10:00 a.m., if a settlement agreement is reached in accordance with Staff's proposed**
 21 **procedural schedule outlined above or, alternatively, on September 9, 2011, at 10:00 a.m., if a**
 22 **settlement agreement is not reached,** for the purpose of scheduling witnesses and the conduct of the
 23 hearing.

24 **IT IS FURTHER ORDERED** that the **Staff Report and/or direct testimony** and associated
 25 exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before
 26 **June 10, 2011.**

27 **IT IS FURTHER ORDERED** that **direct testimony and associated exhibits to be presented**
 28 **at hearing on behalf of intervenors** shall be reduced to writing and filed on or before **June 10, 2011.**

29 **IT IS FURTHER ORDERED** that **direct rate design testimony** and associated exhibits to be
 30 presented at hearing on behalf of Staff or intervenors shall be reduced to writing and filed on or
 31 before **June 24, 2011.**

1 IT IS FURTHER ORDERED that settlement discussions between the parties shall
2 commence by June 27, 2011, and if a settlement agreement is reached, it shall be filed by July
3 15, 2011.

4 IT IS FURTHER ORDERED that in the event a settlement agreement is not reached,
5 rebuttal testimony and associated exhibits to be presented at hearing by SWG shall be reduced
6 to writing and filed on or before July 15, 2011.

7 IT IS FURTHER ORDERED that if a settlement agreement is reached, testimony in support
8 of, or in opposition to, the settlement shall be filed by July 29, 2011.

9 IT IS FURTHER ORDERED that surrebuttal testimony and associated exhibits to be
10 presented by Staff or intervenors shall be reduced to writing and filed on or before August 22,
11 2011.

12 IT IS FURTHER ORDERED that any rejoinder testimony and associated exhibits to be
13 presented at the hearing on behalf of SWG shall be reduced to writing and filed on or before
14 September 2, 2011.

15 IT IS FURTHER ORDERED that all filings shall be made by 4:00 p.m. on the date the
16 filing is due, unless otherwise indicated above.

17 IT IS FURTHER ORDERED that if a settlement is reached, any objections to testimony or
18 exhibits that have been prefiled as of July 29, 2011, shall be made before or at the August 8,
19 2011, pre-hearing conference.

20 IT IS FURTHER ORDERED that if a settlement is not reached, any objections to
21 testimony or exhibits that have been prefiled as of September 2, 2011, shall be made before or
22 at the September 9, 2011, pre-hearing conference.

23 IT IS FURTHER ORDERED that each party shall individually prepare, and bring to the
24 pre-hearing conference, copies of an issues matrix setting forth all disputed issues in the case.
25 Each party's matrix shall indicate the position of each party on each disputed issue and shall
26 indicate whether the disputed issue remains in dispute or has been resolved, in prefiled
27 testimony or otherwise.
28

1 IT IS FURTHER ORDERED that **all testimony filed shall include a table of contents** which
2 lists the issues discussed.

3 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
4 prefiled testimony, with the exception of rejoinder testimony, shall be reduced to writing and filed no
5 later than five calendar days before the witness is scheduled to testify. Substantive corrections,
6 revisions, or supplements to prefiled rejoinder testimony shall be reduced to writing and presented on
7 the first day of hearing.

8 IT IS FURTHER ORDERED that the parties shall prepare a brief, written summary of the
9 prefiled testimony of each of their witnesses and **shall file each summary at least two working**
10 **days before the witness is scheduled to testify.**

11 IT IS FURTHER ORDERED that copies of summaries shall be served upon the
12 Administrative Law Judge, the Commissioners, and the Commissioners' aides as well as the parties
13 of record.

14 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
15 except that **all motions to intervene must be filed on or before May 16, 2011.**

16 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
17 regulations of the Commission, except that until **July 15, 2011**, any objection to discovery requests
18 shall be made within 7 calendar days of receipt¹ and responses to discovery requests shall be made
19 within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made within
20 5 calendar days and responses shall be made within 7 calendar days. The response time may be
21 extended by mutual agreement of the parties involved if the request requires an extensive compilation
22 effort.

23 IT IS FURTHER ORDERED that for discovery requests, objections, and answers, if a
24 receiving party requests service to be made electronically, and the sending party has the technical
25 capability to provide service electronically, service to that party shall be made electronically.

26
27
28 ¹ The date of receipt of discovery requests is not counted as a calendar day, and requests received after 4:00 p.m. MST will be considered as received the next business day.

1 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
2 discovery, any party seeking resolution of a discovery dispute may telephonically contact the
3 Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery
4 dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and
5 that the party making such a request shall forthwith contact all other parties to advise them of the
6 hearing date and shall at the hearing provide a statement confirming that the other parties were
7 contacted.²

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

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

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

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

18 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF SOUTHWEST GAS**
19 **CORPORATION FOR A PERMANENT BASE RATE INCREASE**
(DOCKET NO. G-01551A-10-0458)

20 **Summary**

21 On November 12, 2010, Southwest Gas Corporation ("SWG" or "Company") filed an
22 application with the Arizona Corporation Commission ("Commission") for a
23 permanent gross revenue increase of approximately \$73.2 million, or approximately
24 9.26 percent over current revenues, for the provision of gas service within the
25 Company's authorized service area in Arizona. The rate impact on customers would
26 vary based on customer class and individual usage if SWG's proposal were to be
27 adopted. The Company is also seeking, among other things, approval of an Energy
Efficiency Enabling Provision, a revenue decoupling tariff that SWG contends would
encourage increased implementation of energy efficiency programs by allowing
revenue adjustments to maintain the Company's authorized level of revenues.

28 ² The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

1 The Commission's Utilities Division ("Staff") is in the process of auditing and
 2 analyzing the application, and has not yet made any recommendations regarding
 3 SWG's proposed rate increase. The Commission will determine the appropriate relief
 4 to be granted based on the evidence presented by the parties. **THE COMMISSION
 IS NOT BOUND BY THE PROPOSALS MADE BY SWG, STAFF, OR ANY
 INTERVENORS; THEREFORE, THE FINAL RATES APPROVED BY THE
 COMMISSION MAY DIFFER FROM THE RATES REQUESTED BY THE
 COMPANY OR OTHER PARTIES.**

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

6 Copies of the application and proposed rates are available from SWG [COMPANY
 7 INSERT HOW AND WHERE AVAILABLE] and at the Commission's Docket
 8 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.

9 **Arizona Corporation Commission Public Hearing Information**

10 The Commission will hold a hearing on this matter beginning on **August 10, 2011, at
 11 10:00 a.m., if a settlement agreement is reached and filed by July 15, 2011 or,
 12 alternatively, on September 12, 2011, at 10:00 a.m., if a settlement agreement is
 13 not reached**, at the Commission's offices, Hearing Room No. 1, 1200 West
 14 Washington Street, Phoenix, Arizona. Public comments will be taken on the first day
 15 of the hearing. Written public comments may be submitted by mailing a letter
 16 referencing Docket No. G-01551A-10-0458 to Arizona Corporation Commission,
 Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-
 mail. For a form to use and instructions on how to e-mail comments to the
 Commission, go to http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf.
 If you require assistance, you may contact the Consumer Services Section at 1-800-
 222-7000.

17 **About Intervention**

18 The law provides for an open public hearing at which, under appropriate
 19 circumstances, interested parties may intervene. Any person or entity entitled by law
 20 to intervene and having a direct and substantial interest in the matter will be permitted
 to intervene. If you wish to intervene, you must file an original and 13 copies of a
 written motion to intervene with the Commission no later than **May 16, 2011**, and
 send a copy of the motion to SWG or its counsel and to all parties of record. Your
 motion to intervene must contain the following:

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

26 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
 27 that all motions to intervene must be filed on or before May 16, 2011. If
 28 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
 Court, intervention will be conditioned upon the intervenor obtaining counsel to
 represent the intervenor. For information about requesting intervention, visit the

1 Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.
2 The granting of intervention, among other things, entitles a party to present sworn
3 evidence at hearing and to cross-examine other witnesses. However, failure to
4 intervene will not preclude any interested person or entity from appearing at the
5 hearing and providing public comment on the application or from filing written
6 comments in the record of the case.

4 **ADA/Equal Access Information**

5 The Commission does not discriminate on the basis of disability in admission to its
6 public meetings. Persons with a disability may request a reasonable accommodation
7 such as a sign language interpreter, as well as request this document in an alternative
8 format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail
9 Sbernal@azcc.gov, voice phone number 602/542-3931. Requests should be made as
10 early as possible to allow time to arrange the accommodation.

8 IT IS FURTHER ORDERED that SWG shall mail to each of its customers a copy of the
9 above notice as a bill insert beginning no later than the first billing cycle in **February 2011**, and shall
10 cause a copy of such notice to be published at least once in a newspaper of general circulation in the
11 Company's service territory, with publication to be completed no later than **February 28, 2011**.

12 IT IS FURTHER ORDERED that SWG shall file certification of mailing/publication as
13 soon as possible after the mailing/publication has been completed, but **no later than May 2, 2011**.

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

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

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

25 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
26 Communications) applies to this proceeding and shall remain in effect until the Commission's
27 Decision in this matter is final and non-appealable.
28

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

3 IT IS FURTHER ORDERED that the Residential Utility Consumer Office is hereby granted
4 intervention.

5 IT IS FURTHER ORDERED that Tucson Electric Power Company is hereby granted
6 intervention

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

10 DATED this 7th day of January, 2011.

11
12
13 

14 DWIGHT D. NODES
15 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

16 Copies of the foregoing mailed/delivered
17 This 7th day of January, 2011 to:

18 Debra S. Gallo
19 SOUTHWEST GAS CORPORATION
20 5241 Spring Mountain Road
21 P.O. Box 98510
22 Las Vegas, NV 89150-0002

23 Justin Lee Brown
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25 5241 Spring Mountain Road
26 P.O. Box 98510
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28 Daniel Pozefsky
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16 By: 
17 Debbi Person
18 Assistant to Dwight D. Nodes
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