

ORIGINAL



0000123967

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

2011 MAR 23 A 11:42

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

MAR 23 2011

AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF  
BERMUDA WATER COMPANY, AN ARIZONA  
CORPORATION, FOR A DETERMINATION OF  
THE FAIR VALUE OF ITS UTILITY PLANT AND  
PROPERTY AND FOR INCREASES IN ITS  
WATER RATES AND CHARGES FOR UTILITY  
SERVICE BASED THEREON.

DOCKET NO. W-01812A-10-0521

RATE CASE  
PROCEDURAL ORDER

BY THE COMMISSION:

On December 30, 2010, Bermuda Water Company ("Company") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase.

On January 31, 2011, the Commission's Utilities Division ("Staff") filed a Letter of Insufficiency stating that the Applicant had not met the sufficiency requirements of A.A.C. R14-2-103.

On February 11, 2011, the Company filed an amended application.

On February 14, 2011, the Company filed additional responses to the insufficiency letter.

On February 28, 2011, Staff filed a sufficiency letter stating that the Company had met the requirements of A.A.C. R14-2-103 and classified the application as a Class B utility.

On March 7, 2011, the Residential Utility Consumer Office ("RUCO") filed an Application to Intervene. Also on March 7, 2011, RUCO filed an Application to Intervene and Request for Procedural Conference ("Request"). The Request stated that RUCO intends to monitor this matter, but would like the opportunity to participate more actively if necessary.

On March 16, 2011, a procedural order was issued setting a procedural conference for March 22, 2011, for the purpose of discussing the Request.

The procedural conference convened as scheduled. The Company, RUCO and Staff appeared through counsel. RUCO indicated that following the filing of the Request, RUCO has determined

1 that it intends to limit the scope of its participation in this proceeding to cost of capital issues. The  
2 Company and Staff did not oppose RUCO's intervention, and both stated that no limitation should be  
3 placed on the scope of RUCO's participation.

4 Staff proposed a procedural schedule for the filing of testimony. The Company and RUCO  
5 were in agreement with the Staff procedural proposal.

6 RUCO should be granted intervention, with no limitation on issues in direct testimony. All  
7 parties should file direct testimony supporting issues they wish the Commission to address in this  
8 proceeding, in order to allow opportunity and time for the other parties to respond with their own  
9 testimony.

10 Pursuant to A.A.C. R14-3-101, the Commission now issues this procedural order to govern  
11 the preparation and conduct of this proceeding.

12 IT IS THEREFORE ORDERED that the Residential Utility Consumer Office is hereby  
13 granted intervention.

14 IT IS FURTHER ORDERED that the **hearing** in the above-captioned matter is hereby  
15 scheduled to commence on **October 26, 2011, at 10:00 a.m.**, or as soon thereafter as practicable, at  
16 the Commission's offices, 1200 West Washington Street, **Hearing Room #1**, Phoenix, Arizona  
17 85007.

18 IT IS FURTHER ORDERED that the **direct testimony** and associated exhibits to be  
19 presented at hearing **on behalf of Staff and intervenors** shall be reduced to writing and filed on or  
20 before **August 26, 2011**.

21 IT IS FURTHER ORDERED that any **rebuttal testimony and associated exhibits to be**  
22 **presented at hearing by the Company** shall be reduced to writing and filed on or before **September**  
23 **22, 2011**.

24 IT IS FURTHER ORDERED that any **surrebuttal testimony and associated exhibits to be**  
25 **presented by Staff and intervenors** shall be reduced to writing and filed on or before **October 13,**  
26 **2011**.

27  
28

1 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits to be**  
2 **presented at hearing by the Company** shall be reduced to writing and filed on or before **October**  
3 **20, 2011.**

4 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m. on the date the**  
5 **filing is due.**

6 IT IS FURTHER ORDERED that any **objections to testimony or exhibits that have been**  
7 **prefiled as of October 20, 2011, shall be made on or before October 24, 2011.**

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

10 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to  
11 prefiled testimony shall be reduced to writing and filed no later than five calendar days before the  
12 witness is scheduled to testify.

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

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

19 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,  
20 except that **all motions to intervene must be filed on or before June 10, 2011.**

21 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and  
22 regulations of the Commission, except that until **September 28, 2011**, any objection to discovery  
23 requests shall be made within 7 calendar days of receipt<sup>1</sup> and responses to discovery requests shall be  
24 made within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made  
25 within 5 calendar days and responses shall be made within 7 calendar days. The response time may  
26

27 \_\_\_\_\_  
28 <sup>1</sup> 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 be extended by mutual agreement of the parties involved if the request requires an extensive  
2 compilation effort.

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

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

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

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

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

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

23

24 ...

25 ...

26

27

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

**PUBLIC NOTICE OF HEARING ON THE APPLICATION OF BERMUDA  
WATER COMPANY FOR A RATE INCREASE  
(DOCKET NO. W-01812A-10-0521)**

**Summary**

On December 30, 2010, Bermuda Water Company ("Company") filed an application with the Arizona Corporation Commission ("Commission") for a permanent revenue increase.

The Commission's Utilities Division ("Staff") is in the process of auditing and analyzing the application, and has not yet made any recommendations regarding Arizona-American's proposed rate increase. The Residential Utility Consumer Office ("RUCO") is also a party to this proceeding and will also analyze the application and make recommendations to the Commission. The Commission will determine the appropriate relief to be granted based on the evidence presented by all the parties. The rates approved by the Commission may be higher or lower than the rates requested by the Company.

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

Copies of the application and proposed rates are available from Bermuda Water Company, [company address]; at [web page]; at the Commission's Docket Control Center, 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours; and at the Commission's website [www.azcc.gov](http://www.azcc.gov) using the e-Docket function, located at the bottom of the website homepage.

**Arizona Corporation Commission Public Hearing Information**

The Commission will hold a hearing on this matter beginning **October 26, 2011, at 10:00 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 hearing. Written public comments may be submitted by mailing a letter referencing Docket No. W-01812A-10-0521 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/PublicCommentForm.pdf>. If you require assistance, you may contact the Consumer Services Section at 602.542.4251 or 1.800.222.7000.

**If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this docket. However, all documents filed in this docket are available online** (usually within 24 hours after docketing) at the Commission's website [www.azcc.gov](http://www.azcc.gov) using the e-Docket function, located at the bottom of the website homepage. RSS feeds are also available through e-Docket.

**About Intervention**

The law provides for an open public hearing at which, under appropriate 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 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 **June 10, 2011**, and send a copy of the motion to the Company or its counsel and to all parties of record. Your motion to intervene must contain the following:

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

9            The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except  
10           that all motions to intervene must be filed on or before **June 10, 2011**. All parties  
11           must comply with Rules 31 and 38 of the Rules of the Arizona Supreme Court and  
12           A.R.S. § 40-243 with respect to the practice of law. For information about requesting  
13           intervention, go to <http://www.azcc.gov/divisions/utilities/FORMS/interven.pdf>. The  
14           granting of intervention entitles a party to present sworn evidence at hearing and to  
15           cross-examine other witnesses. However, failure to intervene will not preclude any  
16           interested person or entity from appearing at the hearing and providing public  
17           comment on the application or from filing written comments in the record of the case.

18           **ADA/Equal Access Information**

19           The Commission does not discriminate on the basis of disability in admission to its  
20           public meetings. Persons with a disability may request a reasonable accommodation  
21           such as a sign language interpreter, as well as request this document in an alternative  
22           format, by contacting the ADA Coordinator, Shaylin Bernal, e-mail  
23           [sabernal@azcc.gov](mailto:sabernal@azcc.gov), voice phone number 602.542.3931. Requests should be made as  
24           early as possible to allow time to arrange the accommodation.

25           IT IS FURTHER ORDERED that the Company shall mail to each of its customers a copy of  
26           the above notice as a bill insert beginning with the first billing cycle in **April, 2011**, and shall cause a  
27           copy of such notice to be published at least once in a newspaper of general circulation in its service  
28           territory, with publication to be completed no later than **April 29, 2011**.

                 IT IS FURTHER ORDERED that the Company shall file certification of mailing and  
                 publication as soon as practicable after the mailing and publication have been completed.

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

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

                 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance

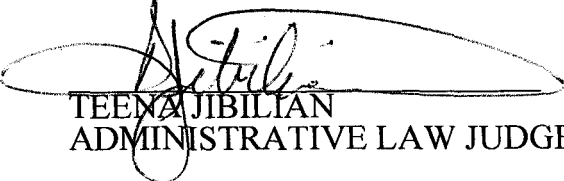
1 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the  
2 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances  
3 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is  
4 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the  
5 Administrative Law Judge or the Commission.

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

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

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

14 DATED this 23<sup>rd</sup> day of March, 2011.

15  
16   
17 TEENA JIBILIAN  
18 ADMINISTRATIVE LAW JUDGE

19 Copies of the foregoing mailed/delivered  
20 This 23<sup>rd</sup> day of March, 2011 to:

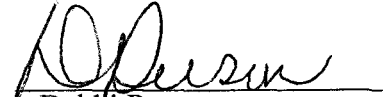
21 Patrick J. Black  
22 FENNEMORE CRAIG  
23 3003 N. Central Ave., Suite 2600  
24 Phoenix, AZ 85012-2913  
25 Attorneys for Bermuda Water Company

26 Daniel Pozefsky, Chief Counsel  
27 RUCO  
28 1110 W. Washington, Suite 220  
Phoenix, AZ 85007

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

Steve Olea, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, AZ 85007

ARIZONA REPORTING SERVICE, INC.  
2200 North Central Avenue, Suite 502  
Phoenix, AZ 85004

By:   
Debbi Person  
Assistant to Teena Jibilian