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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

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

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AZ CORP COMMISSION
DOCKET CONTROL

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AUG 22 2011

DOCKETED BY	<i>[Signature]</i>
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IN THE MATTER OF THE APPLICATION OF NAVOPACHE ELECTRIC COOPERATIVE, INC. 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. E-01787A-11-0186

RATE CASE PROCEDURAL ORDER

BY THE COMMISSION:

On April 29, 2011, Navopache Electric Cooperative, Inc. ("Navopache" or "Company") filed with the Arizona Corporation Commission ("Commission") an application 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.

On May 27, 2011, Navopache filed a letter to the Commission's Utilities Division ("Staff") indicating its agreement to prepare and file a supplement to its rate application.

On July 7, 2011, Navopache filed Supplemental Direct Testimony and Schedules.

On July 26, 2011, Invenergy Wind Development, LLC ("Invenergy") filed a Petition for Leave to Intervene.

On August 4, 2011, Navopache filed its Opposition to Intervention of Invenergy.

On August 4, 2011, Navopache filed a Notice of Filing Revised Schedules.

On August 8, 2011, Staff filed a Letter of Sufficiency indicating that Navopache's filing, with the information filed on May 27, 2011 and July 7, 2011, met the sufficiency requirements of A.A.C. R14-2-103, and classifying Navopache as a Class A Utility.

On August 10, 2011, Local Union 387, International Brotherhood of Electrical Workers, AFL-CIO ("IBEW Local 387") filed an Application to Intervene.

On August 12, 2011, Invenergy filed its Reply to Navopache's Opposition to its Petition.

1 On August 12, 2011, Navopache filed a Response to Invenergy's Reply.

2 On August 12, 2011, Staff filed a Proposed Schedule for Filing Dates and Request for
3 Procedural Order. Staff stated that Navopache is in agreement with Staff's proposed schedule.

4 On August 19, 2011, a Procedural Order was issued denying Invenergy's Petition to
5 Intervene.

6 To date, no objections have been filed to IBEW Local 87's Application to Intervene and
7 accordingly, IBEW Local 387 should be granted intervention.

8 The procedural schedule proposed by Staff and agreed to by Navopache for processing this
9 rate application is reasonable and should be adopted.

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 **hearing** in the above-captioned matter is hereby
13 scheduled to commence on **April 26, 2012, at 10:00 a.m.**, at the Commission's offices, 1200 West
14 Washington Street, Hearing Room No. 1, Phoenix, Arizona 85007.

15 IT IS FURTHER ORDERED that a pre-hearing conference shall be held on **April 23, 2012,**
16 **at 2:00 p.m.**, at the Commission's offices, 1200 West Washington Street, Hearing Room No. 1,
17 Phoenix, Arizona 85007, for the purpose of scheduling witnesses and the conduct of the hearing.

18 IT IS FURTHER ORDERED that the **Staff Report and/or direct testimony, except rate**
19 **design testimony**, and associated exhibits to be presented at hearing on behalf of Staff shall be
20 reduced to writing and filed on or before **February 1, 2012.**

21 IT IS FURTHER ORDERED that **direct testimony, except rate design testimony, and**
22 **associated exhibits to be presented at hearing on behalf of intervenors** shall be reduced to writing
23 and filed on or before **February 1, 2012.**

24 IT IS FURTHER ORDERED that **rate design direct testimony** and associated exhibits to be
25 presented at hearing on behalf of Staff and intervenors shall be reduced to writing and filed on or
26 before **February 15, 2012.**

27 IT IS FURTHER ORDERED that **rebuttal testimony and associated exhibits to be**
28

1 presented at hearing by Navopache shall be reduced to writing and filed on or before March
2 12, 2012.

3 IT IS FURTHER ORDERED that **surrebuttal testimony and associated exhibits to be**
4 **presented by Staff and intervenors** shall be reduced to writing and filed on or before on April 4,
5 2012.

6 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits to be**
7 **presented at the hearing on behalf of Navopache** shall be reduced to writing and filed no later
8 **than April 18, 2012.**

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

11 IT IS FURTHER ORDERED that any **objections to testimony or exhibits that have been**
12 **prefiled as of April 18, 2012, shall be made before or at the April 23, 2012, pre-hearing**
13 **conference.**

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

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

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

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

27 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
28 except that **all motions to intervene must be filed on or before January 6, 2012.**

1 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
2 regulations of the Commission, except that until **March 2, 2012**, any objection to discovery requests
3 shall be made within 7 calendar days of receipt¹ and responses to discovery requests shall be made
4 within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made within
5 5 calendar days and responses shall be made within 7 calendar days. The response time may be
6 extended by mutual agreement of the parties involved if the request requires an extensive compilation
7 effort.

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

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

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

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

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

25 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
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27 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.

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 this matter, in the following form and style with the heading in no less than 24-point bold type and
 2 the body in no less than 10-point regular type:

3
 4 **PUBLIC NOTICE OF HEARING ON NAVOPACHE ELECTRIC**
COOPERATIVE'S APPLICATION FOR A DETERMINATION OF THE FAIR
VALUE OF ITS PROPERTY FOR RATE MAKING PURPOSES, TO FIX A JUST
 5 **AND REASONABLE RETURN THEREON AND TO APPROVE RATES**
 6 **DESIGNED TO DEVELOP SUCH RETURN**
(DOCKET NO. E-01787A-11-0186)

7 **Summary**

8 On April 29, 2011, Navopache Electric Cooperative, Inc. ("Navopache" or
 9 "Company") filed with the Arizona Corporation Commission ("Commission") an
 10 application for a permanent gross revenue increase of approximately \$3,413,663, or
 11 approximately 7.16 percent over current revenues, for the provision of electric service
 12 within the Company's authorized service area in Arizona. According to the
 13 Company's filing, the rate impact of its request would be as follows: an average usage
 14 residential customer (463 kWh/month) would have a rate increase of 7.03 percent; a
 15 median usage residential customer (183 kWh/month) would have a rate increase of
 16 13.23 percent; an average usage time of use residential customer (1,165 kWh/month
 17 with 405 kWh on-peak) would have a rate increase of 11.11 percent; and a median
 18 usage time of use residential customer (277 kWh/month with 96 kWh on-peak) would
 19 have a rate increase of 13.37 percent. The actual percentage rate increase for any one
 20 customer would vary based on customer class and individual usage.

21 The Commission's Utilities Division ("Staff") is in the process of reviewing and
 22 analyzing the application and has not yet made a recommendation regarding
 23 Navopache's request. The Commission will issue a Decision regarding Navopache's
 24 application following consideration of testimony and evidence presented at an
 25 evidentiary hearing. **THE COMMISSION IS NOT BOUND BY THE PROPOSALS
 26 MADE BY NAVOPACHE, STAFF, OR ANY INTERVENORS, AND THE
 27 FINAL RATES APPROVED BY THE COMMISSION MAY DIFFER FROM
 28 THE RATES REQUESTED BY NAVOPACHE OR OTHER PARTIES.**

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

20 Copies of the application and the proposed rates and tariffs are available from Navopache
 21 at its office, [Company insert address and phone number] and at the Commission's
 22 Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public
 23 inspection during regular business hours and on the Internet via the Commission's
 24 website (www.azcc.gov) using the e-Docket function, located at the bottom of the web
 25 page.

23 **Arizona Corporation Commission Public Hearing Information**

24 The Commission will hold a hearing on this matter beginning on **April 26, 2012**, at
 25 **10:00 a.m.**, in the Commission's offices, Hearing Room No. 1, 1200 West Washington
 26 Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing.
 27 Written public comments may also be submitted by mailing a letter referencing Docket
 28 No. E-01787A-11-0186 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>.

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 **January 6, 2012**, and send a copy of the motion to Navopache or its counsel and to all parties of record. Your motion to intervene must contain the following:

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

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **January 6, 2012**. All parties must comply with Arizona Supreme Court Rules 31 and 38 and A.R.S. § 40-243 with respect to the practice of law. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

ADA/Equal Access Information

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, email Sbernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

Who to Contact if you have Questions

For further information on the Navopache rate increase request and procedural schedule, please contact Navopache at [**Company insert phone number**] or the Commission's Consumer Services Section at 602-542-4251, or 1-800-222-7000 (outside the metro Phoenix area). For further information or assistance with intervention or how to make public comment, please contact the Commission's Consumer Services Section at 602-542-4251, or 1-800-222-7000 (outside the metro Phoenix area).

IT IS FURTHER ORDERED that Navopache shall mail to each of its customers a copy of the above notice as a bill insert beginning with the first available billing cycle, and shall cause a copy of such notice to be published at least twice in a newspaper of general circulation in the Company's service territory, with publication to be completed no later than **September 30, 2011**.

...

1 IT IS FURTHER ORDERED that Navopache shall file certification of mailing/publication
2 as soon as possible after the mailing/publication has been completed, but no later than October 21,
3 2011.

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

6 IT IS FURTHER ORDERED that intervention is granted to Local Union 387, International
7 Brotherhood of Electrical Workers, AFL-CIO.

8 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
9 31, 38, and 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

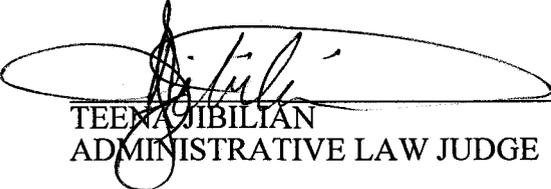
10 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
11 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
12 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances
13 at all hearings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

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

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

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

24 DATED this 22nd day of August, 2011.

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27
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TEENA JIBILIAN
ADMINISTRATIVE LAW JUDGE

1 Copies of the foregoing mailed/delivered
2 this 22nd day of August, 2011 to:

3 Michael A. Curtis
4 William P. Sullivan
5 Melissa A. Parham
6 CURTIS GOODWIN SULLIVAN
7 UDALL & SCHWAB, PLC
8 501 East Thomas Road
9 Phoenix, AZ 85012-3205
10 Attorneys for Navopache Electric
11 Cooperative, Inc.

12 Nicholas J. Enoch
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15 Phoenix, AZ 85003
16 Attorneys for IBEW Local 387

17 Janice Alward, Chief Counsel
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21 Phoenix, AZ 85007

22 Steven M. Olea, Director
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24 ARIZONA CORPORATION COMMISSION
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26 Phoenix, AZ 85007

27 ARIZONA REPORTING SERVICE, INC.
28 2200 North Central Avenue, Suite 502
Phoenix, AZ 85004-1481

By: 
Debra Broyles
Secretary to Teena Jibilian