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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

COMMISSIONERS

2011 SEP 23 P 12: 54

DOCKETED

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

AZ CORP COMMISSION  
DOCKET CONTROL

SEP 23 2011

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF  
HARRISBURG UTILITY COMPANY, INC. FOR  
APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02169A-11-0238

PROCEDURAL ORDER

**BY THE COMMISSION:**

On June 10, 2011, Harrisburg Utility Company, Inc. (formerly Keaton Development Company, Inc.) ("Harrisburg") filed with the Arizona Corporation Commission ("Commission") an application for a permanent rate increase using a test year ("TY") ending December 31, 2010. Harrisburg's application shows that it had TY total operating revenues of \$184,902 and TY total operating expenses of \$186,101, for a TY operating loss of \$1,199. Harrisburg's application requests an annual increase in revenues of \$46,857. Harrisburg's application shows that notice of the application was sent to its customers on June 10, 2011. A review of the notice sent reveals, however, that the URL provided for the Commission's eDocket was incorrect and the toll-free telephone number provided for the Commission's Consumer Services Section was also incorrect.

On July 11, 2011, the Commission's Utilities Division ("Staff") issued a Letter of Sufficiency stating that Harrisburg's application had met the sufficiency requirements outlined in Arizona Administrative Code ("A.A.C.") R14-2-103 and that Harrisburg has been classified as a Class D water utility.

On August 31 and September 16, 2011, Harrisburg filed revised application pages showing modifications in its proposed service charges.

Between June 28, 2011, and September 8, 2011, 14 customer comments were filed in opposition to Harrisburg's requested rate increase.

On September 22, 2011, Staff filed Staff's Motion for Extension of Time, stating that the Staff Report is due on September 26, 2011, but that despite diligent effort from Harrisburg and Staff,

1 Staff has recently requested additional information from Harrisburg that will prevent Staff from  
2 issuing the Staff Report by September 26, 2011. Staff requests that the deadline for the Staff Report  
3 be extended to October 11, 2011, and asserts that Harrisburg has been consulted and is agreeable to  
4 such an extension.

5 Because Staff requires additional information from Harrisburg in order to complete the Staff  
6 Report, and thus requires additional time to receive and analyze such information, and Harrisburg  
7 does not object to the extension of time requested by Staff, it is reasonable and appropriate to allow  
8 Staff the additional time requested to complete the Staff Report. In addition, because the customer  
9 notice provided by Harrisburg included some erroneous contact information for the Commission and  
10 could not have reflected Harrisburg's currently proposed service charges, it is also necessary to  
11 require Harrisburg to provide its customers additional notice that includes corrected contact  
12 information and Harrisburg's currently proposed service charges.

13 IT IS THEREFORE ORDERED that the **deadline** for issuance of the **Staff Report** in this  
14 matter is hereby **extended to October 11, 2011**.

15 IT IS FURTHER ORDERED that **Harrisburg shall, by October 14, 2011, send** to each of  
16 its customers by first class mail a **revised customer notification**, with the corrections reflected in  
17 Exhibit A attached hereto and to which Harrisburg has attached the current pages 9 and 11 from its  
18 application (as amended by Harrisburg and docketed on September 16, 2011).

19 IT IS FURTHER ORDERED that **Harrisburg shall, by October 28, 2011, file** with the  
20 Commission's Docket Control an **affidavit of service** stating when the revised customer notification  
21 was mailed to its customers and including a **complete copy** of the revised customer notification sent,  
22 including attachments.

23 IT IS FURTHER ORDERED that the **time frame** for the Commission to issue a final order in  
24 this matter is hereby **extended by 35 days**.

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

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

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

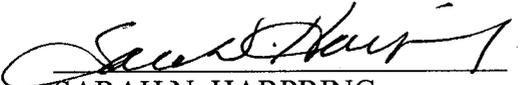
3 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing/publication  
4 of same, notwithstanding the failure of an individual to read or receive the notice.

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

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

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

13 DATED this 23<sup>rd</sup> day of September, 2011.

14  
15   
16 SARAH N. HARPRING  
17 ADMINISTRATIVE LAW JUDGE

18 Copies of the foregoing mailed/delivered  
19 this 23<sup>rd</sup> day of September, 2011, to:

20 William S. Scott, President  
21 HARRISBURG UTILITY COMPANY, INC.  
22 P.O. Box 905  
Salome, AZ 85348

Steven M. Olea, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 W. Washington Street  
Phoenix, AZ 85007

23 Janice Alward, Chief Counsel  
24 Legal Division  
ARIZONA CORPORATION COMMISSION  
25 1200 West Washington Street  
Phoenix, AZ 85007

By:   
Debra Broyles  
Secretary to Sarah N. Harpring

## EXHIBIT A

## CUSTOMER NOTIFICATION

Harrisburg Utility Company, Inc., formerly Keaton Development Company, Inc., has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since November, 2001. An increase in rates is necessary at this time due to increases in operating such that losses result in system degradation. Based on the Company's unaudited Test Year Results Harrisburg Utility Company, Inc., formerly Keaton Development Company, Inc., realized an operating loss of \$1,199. The Company is requesting a revenue increase of \$46,857 or 25.7% of total revenues. Please see the attached pages 9 and 11 of the Company's application for the current and proposed rates.

*AZCC*  
The Application is available for inspection during regular business hours at the offices of the Commission in Phenix at 1200 West Washington Street or online at <http://edocket.axcc.gov/edocket/> and at Harrisburg Utility Company, Inc., 66477 65<sup>th</sup> Street, Salome, AZ 85348. Please be advised that the rate and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application.

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's Application including service, billing procedures or other factors important in determining the reasonableness of charges. Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 800-222-7700 (if located outside the Phoenix local calling area) or 602-542-4251 in the Phoenix local calling area. Customers may also contact the Tucson Commission Office by calling 800-535-0148 (if located outside the Tucson local calling area) or 520-628-6555 in the Tucson local calling area. *7000*

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, customer comments submitted in writing will be placed in the office file, which the Commission reviews prior to making its final decision on the Application. It is important that customers contact the Commission within 15 days of the receipt of this notice so that the Commission's Staff can consider customer comments and concerns in developing its recommendations to the Commission.