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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

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

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR ADJUSTMENTS TO ITS RATES AND CHARGES FOR UTILITY SERVICE FURNISHED BY ITS WESTERN GROUP AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01445A-10-0517

PROCEDURAL ORDER

BY THE COMMISSION:

On December 29, 2010, Arizona Water Company ("AWC") filed with the Arizona Corporation Commission ("Commission") an application requesting adjustments to its rates and charges for utility service provided by its Western Group water systems, including its Pinal Valley (Casa Grande, Coolidge, and Stanfield); Ajo; and White Tank water systems. AWC's rate application used a test year ending December 31, 2009. AWC's current rates were established in Decision No. 71845 (August 25, 2010), based on a test year ending December 31, 2007.

On January 7, 2011, the Commission's Utilities Division ("Staff") filed a Letter of Deficiency based upon AWC's test year. Staff asserted that AWC should withdraw its application and submit a new application using a test year including at least 12 months of actual data under AWC's current rates.

The dispute between AWC and Staff as to the sufficiency of AWC's application continued, with various filings made by the parties, until March 24, 2011.

On March 24, 2011, a procedural conference was held as scheduled at the Commission's offices in Phoenix, with AWC and Staff appearing through counsel. Rather than immediately proceeding to oral argument, the parties were provided an opportunity to engage in discussions in an attempt to resolve their dispute. As a result of their discussions, the parties were able to reach agreement as to the resolution of their dispute. The particular points of agreement were read into the

1 record.¹ As part of the agreement, AWC agreed to file, in this docket, a fully amended new
2 application packet for its Western Group using a test year ending December 31, 2010 (“new
3 application”).

4 On March 25, 2011, a Procedural Order was issued setting forth the items of agreement as
5 specifically pertaining to this docket; ordering that no action would be taken on an AWC Motion and
6 Staff requests for relief that had been rendered moot as a result of the agreement; and ordering that
7 this docket would remain open for the filing of the new application. AWC subsequently filed a
8 Motion for Clarification of the March 25, 2011, Procedural Order.

9 On May 9, 2011, AWC filed an Amended Application for its Western Group, using a test year
10 ending December 31, 2010.

11 On June 8, 2011, AWC filed a Response to Staff’s List of Deficiencies, including revised
12 schedules, revised plant data, and additional public water system compliance documentation.

13 Also on June 8, 2011, Staff issued a Letter of Sufficiency, stating that AWC’s Amended
14 Application had met the sufficiency requirements outlined in A.A.C. R14-2-103 and classifying
15 AWC as a Class A utility.

16 On June 13, 2011, AWC filed a Supplemental Response to Staff’s List of Deficiencies,
17 providing additional data concerning water testing, the Coolidge Airport water system, and pre-test
18 year system connections.

19 On June 15, 2011, the Residential Utility Consumer Office (“RUCO”) filed an Application to
20 Intervene, to which neither AWC nor Staff filed objection.

21 On June 28, 2011, a Procedural Order was issued denying AWC’s Motion for Clarification,
22 granting RUCO intervention, and establishing a procedural schedule for this matter.

23 On July 8, 2011, Staff filed Staff’s Request for a Modification to the Procedural Schedule.

24 On July 13, 2011, AWC filed a Response and Objection to Staff’s Request for Modification to
25 the Procedural Schedule.

26 On July 15, 2011, RUCO filed a Response in Support of Staff’s Request for Modification of
27

28 ¹ All of the items of agreement are included in the transcript for the procedural conference.

1 the Procedural Schedule.

2 On July 15, 2011, a Procedural Order was issued vacating the procedural schedule established
3 in the Procedural Order of June 28, 2011; establishing a procedural schedule with a hearing to
4 commence on February 21, 2012; and establishing other procedural requirements and deadlines,
5 among them a requirement for AWC to file an explanation of the notice that had been provided
6 pursuant to the prior Procedural Order and to provide new notice.

7 On July 19, 2011, AWC filed a Request for Amendment to Procedural Order Concerning
8 Public Notice, in which AWC requested a one-week extension of time to complete the mailing to all
9 of its customers, as approximately 6,000 of its customers could not receive the notice in their monthly
10 billings by the established August 15, 2011, deadline.

11 On July 20, 2011, a Procedural Order was issued extending to August 22, 2011, AWC's
12 deadline to mail notice to its customers.

13 On July 25, 2011, AWC filed an Explanation of Notice.

14 On August 26, 2011, AWC filed a Certification of Notice, showing that notice had been
15 mailed to each of its customers during the July 22 billing cycle, which was completed on August 18,
16 2011, and that notice had been published in the *West Valley View* on July 26, 2011, and in the
17 *Coolidge Examiner*, the *Casa Grande Dispatch*, and the *Ajo Copper News* on July 27, 2011.

18 On September 13, 2011, Abbott Laboratories ("Abbott") filed an Application to Intervene,
19 stating that it operates a manufacturing plant on the west side of Casa Grande that it believes to be the
20 largest water user in AWC's Casa Grande water system. Abbott stated that it will be directly and
21 substantially affected by the rate changes to be considered in this matter because the plant operates at
22 all times, and the quantity, quality, and cost of water are key factors affecting Abbott's manufacturing
23 operations. Abbott further asserted that its participation will not unduly broaden the issues in this
24 matter. No party has objected to Abbott's Application to Intervene.

25 Because Abbott, as a high volume customer of AWC, will be directly and substantially
26 affected by the outcome of this matter; Abbott's participation should not unduly broaden the issues in
27 this matter; and no party has objected to Abbott's Application to Intervene, it is reasonable and
28 appropriate to grant Abbott intervention herein.

1 IT IS THEREFORE ORDERED that **Abbott Laboratories' Application to Intervene** is
2 **hereby granted.**

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

6 DATED this 26th day of September, 2011.

7
8
9 
10 SARAH N. HARPRING
ADMINISTRATIVE LAW JUDGE

11 Copies of the foregoing mailed/delivered
12 this 26th day of September, 2011 to:

13 Steven A. Hirsch
14 Stanley B. Lutz
15 BRYAN CAVE LLP
Two North Central Avenue, Suite 2200
Phoenix, AZ 85004-4406
Attorneys for Arizona Water Company

By: 
Debra Broyles
Secretary to Sarah N. Harpring

16 Robert W. Geake, Vice President and General Counsel
17 ARIZONA WATER COMPANY
P.O. Box 29006
18 Phoenix, AZ 85038-9006

19 Daniel W. Pozefsky, Chief Counsel
20 RESIDENTIAL UTILITY CONSUMER OFFICE
1110 West Washington Street, Suite 220
Phoenix, AZ 85007

21 Michele Van Quathem
22 RYLEY CARLOCK & APPLEWHITE
One North Central Avenue, Suite 1200
Phoenix, AZ 85004-4417
23 Attorneys for Abbott Laboratories

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

26 Steven M. Olea, Director
27 Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
28 Phoenix, AZ 85007