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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
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COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF  
BRADSHAW WATER COMPANY, INC. FOR A  
PERMANENT RATE INCREASE.

DOCKET NO. W-02476A-10-0495

PROCEDURAL ORDER

**BY THE COMMISSION:**

On December 15, 2010, Bradshaw Water Company, Inc. ("Bradshaw") filed with the Arizona Corporation Commission ("Commission") an application for rate adjustment using a test year ("TY") ending December 31, 2009. The Commission's Utilities Division ("Staff") found Bradshaw's application to be sufficient on January 21, 2011, and issued a Staff Report on April 6, 2011, and a Revised Staff Report on July 20, 2011.

On September 15, 2011, the Commission issued Decision No. 72584, granting Bradshaw a rate increase effective October 1, 2011; requiring Bradshaw to maintain its books and records in accordance with the National Association of Regulatory Utility Commissioners ("NARUC") Uniform System of Accounts ("USOA"); requiring Bradshaw to file a plan identifying the actions it will take to keep its books and records in accordance with the NARUC USOA; requiring Bradshaw to develop written cost allocation procedures using the NARUC Guidelines for Cost Allocations and Affiliate Transactions; requiring Bradshaw to file a copy of its written cost allocation procedures; requiring Bradshaw to implement and comply with its written cost allocation procedures; requiring Bradshaw to file copies of the list of customers to whom Bradshaw owes refunds of service line and meter installation charge advances in aid of construction; requiring Bradshaw to commence providing the listed customers refunds in accordance with Arizona Administrative Code ("A.A.C.") R14-2-405(B)(2) beginning with the bills issued in November 2011; requiring Bradshaw to adopt the depreciation rates delineated in Table B of the Engineering Report portion of the Staff Report;

1 requiring Bradshaw to monitor its system for water loss for a 12-month period and prepare a water  
2 loss reduction report that must be filed by October 15, 2012, and meet specified criteria; requiring  
3 Bradshaw to ensure that its water loss does not exceed 15 percent; requiring Bradshaw to implement  
4 the Purchased Water Cost Recovery Adjustor Mechanism ("PWCRAM") Tariff set forth in Exhibit B  
5 of the Decision by filing a copy of the Tariff; requiring Bradshaw annually to file its calculation of  
6 the PWCRAM surcharge using the methodology in the PWCRAM Tariff; requiring Staff to review  
7 the annual surcharge calculation and notify Bradshaw whether the surcharge calculation is  
8 acceptable; requiring Bradshaw to include the PWCRAM surcharge as a separate charge on each  
9 customer bill; requiring Bradshaw to notify its customers of any changes in the PWCRAM surcharge  
10 within 30 days after filing an annual calculation to adjust the surcharge; requiring Bradshaw to collect  
11 a \$100 non-refundable purchased water contract connection charge for each new customer  
12 connection on Bradshaw's system until Bradshaw is no longer contractually obligated to pay a \$100  
13 connection charge to Prescott Valley Water District; requiring Bradshaw to file an amendment to its  
14 tariff eliminating the \$100 non-refundable purchased water contract connection charge within 60  
15 days after its contractual obligation to Prescott Valley Water District ends; requiring a second phase  
16 of this matter to address the resolution of Bradshaw's request to have a \$1,650 impact fee authorized  
17 in its tariff; and requiring the Commission's Hearing Division to schedule and hold a procedural  
18 conference to discuss the process for the second phase, to determine the process to be followed for  
19 the second phase, to oversee the process for the second phase, and to issue a Recommended Order or  
20 Opinion and Order to resolve the second phase after completing the process.

21       Thus, it is now necessary and appropriate to schedule a procedural conference to discuss the  
22 process and the scheduling for the second phase in this docket.

23       IT IS THEREFORE ORDERED that a **procedural conference shall be held on October 24,**  
24 **2011, at 10:00 a.m., in Room 100** at the Commission's offices at 1200 West Washington Street,  
25 Phoenix, Arizona 85007.

26       IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules  
27 31 and 38 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

28       IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized

1 Communications) applies to this proceeding and shall remain in effect until the Commission's  
2 Decision in this matter is final and non-appealable.

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 27<sup>th</sup> day of September, 2011.

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8 *Proxies for Sarah Harpring*  
9 SARAH N. HARPRING  
ADMINISTRATIVE LAW JUDGE

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Copies of the foregoing mailed/delivered  
this 27<sup>th</sup> day of September, 2011, to:

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By: *Debra Broyles*  
Debra Broyles  
Secretary to Sarah N. Harpring