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BEFORE THE ARIZONA CORPORATION COMMISSION

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GARY PIERCE - Chairman
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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

SEP 30 2011

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF PIMA UTILITY 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-02199A-11-0329

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

DOCKET NOSW-02199A-11-0330

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On August 29, 2011, Pima Utility Company ("Pima" or "Company") filed with the Arizona Corporation Commission ("Commission") applications for rate increase in its water and wastewater divisions.

On September 19, 2011, Pima filed Motion to Consolidate Docket Nos. W-02199A-11-0329 and W-02199A-11-0330. In its Motion, Pima stated that its water and wastewater customer bases are largely the same and Pima is operated and managed as one utility. Pima also stated that since the matters are inextricably linked, consolidation is consistent with the interests of administrative efficiency and administrative economy.

On September 29, 2011, the Commission's Utilities Division ("Staff") filed a Letter of Sufficiency in each of the dockets, notifying the Company that the applications were deemed sufficient pursuant to A.A.C. R14-2-103, and classifying the utilities as Class B.

Good cause is shown and accordingly, the dockets should be consolidated for purposes of hearing.

1 Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern
2 the preparation and conduct of this proceeding.

3 IT IS THEREFORE ORDERED that **Docket Nos. W-02199A-11-0329 and SW-02199A-11-**
4 **0330 are hereby consolidated.**

5 IT IS FURTHER ORDERED that the **hearing** in the above-captioned matter is hereby
6 scheduled to commence on **May 29, 2012, at 10:00 a.m.**, or as soon thereafter as practicable, at the
7 Commission's offices, 1200 West Washington Street, **Hearing Room No. 1**, Phoenix, Arizona
8 85007.

9 IT IS FURTHER ORDERED that a pre-hearing conference shall be held on **May 24, 2012,**
10 **commencing at 2:00 p.m.**, at the Commission's Phoenix offices, for the purpose of scheduling
11 witnesses and the conduct of the hearing.

12 IT IS FURTHER ORDERED that the **direct testimony** and associated exhibits to be
13 presented at hearing **on behalf of Staff and intervenors** shall be reduced to writing and filed on or
14 before **March 27, 2012.**

15 IT IS FURTHER ORDERED that any **rebuttal testimony and associated exhibits to be**
16 **presented at hearing by the Company** shall be reduced to writing and filed on or before **April 24,**
17 **2012.**

18 IT IS FURTHER ORDERED that any **surrebuttal testimony and associated exhibits to be**
19 **presented by Staff and intervenors** shall be reduced to writing and filed on or before **May 15, 2012.**

20 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits to be**
21 **presented at hearing by the Company** shall be reduced to writing and filed on or before **May 22,**
22 **2012.**

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

25 IT IS FURTHER ORDERED that any **objections to testimony or exhibits that have been**
26 **prefiled as of May 22, 2012, shall be made before or at the May 24, 2012 prehearing conference.**

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

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

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

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

12 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
13 except that **all motions to intervene must be filed on or before March 9, 2012.**

14 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
15 regulations of the Commission, except that until **April 10, 2012**, any objection to discovery requests
16 shall be made within 7 calendar days of receipt¹ and responses to discovery requests shall be made
17 within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made within
18 5 calendar days and responses shall be made within 7 calendar days. The response time may be
19 extended by mutual agreement of the parties involved if the request requires an extensive compilation
20 effort.

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

24 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
25 discovery, any party seeking resolution of a discovery dispute may telephonically contact the
26 Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery
27

28 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.

1 dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and
2 that the party making such a request shall forthwith contact all other parties to advise them of the
3 hearing date and shall at the hearing provide a statement confirming that the other parties were
4 contacted.²

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

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

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

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

15 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF PIMA**
16 **UTILITY COMPANY, AN ARIZONA CORPORATION, FOR A**
17 **DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND**
18 **PROPERTY AND FOR INCREASES IN ITS WATER AND WASTEWATER**
19 **RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON**
20 **(DOCKET NO. W-02199A-11-0329 ET AL.)**

21 **Summary**

22 On August 29, 2011, Pima Utility Company ("Pima" or "Company") filed with the
23 Arizona Corporation Commission ("Commission") applications for rate increases in its
24 water and wastewater divisions.

25 The Company requests an increase in water utility revenues of \$1,023,565, or 51.76
26 percent. For an average usage residential water customer on a 5/8 by 3/4 inch meter
27 (6,395 gallons/month), the Company's request would result in a monthly increase of
28 \$3.83, or 35.91 percent.

The Company requests an increase in wastewater utility revenues of \$691,210, or 22.32
percent. For a residential wastewater customer on a 5/8 by 3/4 inch water meter, the
Company's request would result in a monthly increase of \$5.06, or 22.25 percent.

The Commission's Utilities Division ("Staff") is in the process of auditing and
analyzing the applications, and will make recommendations regarding Pima's proposed

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

1 rate increases. The Commission will issue a Decision regarding Pima's requests
 2 following consideration of testimony and evidence presented at an evidentiary hearing.
 3 **THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY PIMA,
 4 STAFF, OR ANY INTERVENORS, AND THE FINAL RATES APPROVED BY
 5 THE COMMISSION MAY DIFFER FROM THE RATES REQUESTED BY
 6 PIMA OR OTHER PARTIES.**

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

8 Copies of the applications and proposed rates are available from Pima Utility
 9 Company, [company address]; at [web page, if available there]; at the Commission's
 10 Docket Control Center, 1200 West Washington, Phoenix, Arizona, for public
 11 inspection during regular business hours; and at the Commission's website
 12 www.azcc.gov using the e-Docket function, located at the bottom of the website
 13 homepage.

14 **Arizona Corporation Commission Public Hearing Information**

15 The Commission will hold a hearing on this matter beginning **May 29, 2012, at 10:00**
 16 **a.m.**, at the Commission's offices, **Hearing Room No. 1**, 1200 West Washington
 17 Street, Phoenix, Arizona. Public comments will be taken on the first day of the
 18 hearing. Written public comments may be submitted by mailing a letter referencing
 19 Docket No. **W-02199A-11-0329 et al.** to Arizona Corporation Commission, Consumer
 20 Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a
 21 form to use and instructions on how to e-mail comments to the Commission, go to
 22 <http://www.azcc.gov/Divisions/Utilities/forms/PublicCommentForm.pdf>. If you require
 23 assistance, you may contact the Consumer Services Section at 602.542.4251 or
 24 1.800.222.7000.

25 **If you do not intervene in this proceeding, you will receive no further notice of the**
 26 **proceedings in this docket. However, all documents filed in this docket are**
 27 **available online** (usually within 24 hours after docketing) at the Commission's website
 28 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 **March 9, 2012**, 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. 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
 the Company, a shareholder of the Company, etc.); and
3. A statement certifying that you have mailed a copy of the motion to
 intervene to the Company or its counsel and to all parties of record in
 the case.

1 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
2 that all motions to intervene must be filed on or before **March 9, 2012**. All parties
3 must comply with Arizona Supreme Court Rules 31 and 38 and A.R.S. § 40-243 with
4 respect to the practice of law. For information about requesting intervention, go to
5 <http://www.azcc.gov/divisions/utilities/FORMS/interven.pdf>. The granting of
6 intervention entitles a party to present sworn evidence at hearing and to cross-
7 examine other witnesses. However, you do not need to intervene if you want to
8 appear at the hearing and provide public comment on the application, or to file
9 written comments in the record of the case.

6 **ADA/Equal Access Information**

7 The Commission does not discriminate on the basis of disability in admission to its
8 public meetings. Persons with a disability may request a reasonable accommodation
9 such as a sign language interpreter, as well as request this document in an alternative
10 format, by contacting the ADA Coordinator, Shaylin Bernal, e-mail
11 sabernal@azcc.gov, voice phone number 602.542.3931. Requests should be made as
12 early as possible to allow time to arrange the accommodation.

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

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

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

22 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
23 31 and 38 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

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

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
Communications) applies to this proceeding and shall remain in effect until the Commission's

1 Decision in this matter is final and non-appealable.

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

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

7 DATED this 30th day of September, 2011.

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TEENA JIBILIAN
ADMINISTRATIVE LAW JUDGE

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Copies of the foregoing mailed/delivered
13 This 30th day of September, 2011 to:

14

Jay L. Shapiro
FENNEMORE CRAIG
15 3003 N. Central Ave., Suite 2600
Phoenix, AZ 85012
16 Attorneys for Pima Utility Company

17

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

20


Steven M. Olea, Director
Utilities Division
21 ARIZONA CORPORATION COMMISSION
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22 Phoenix, AZ 85007

23

ARIZONA REPORTING SERVICE, INC.
2200 N. Central Ave., Suite 502
24 Phoenix, AZ 85004-1481

25

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By: 
Debbi Person
Assistant to Teena Jibilian

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