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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

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Arizona Corporation Commission  
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DOCKETED BY  
*[Signature]*

IN THE MATTER OF THE APPLICATION OF  
TRUXTON CANYON WATER COMPANY, INC.  
FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02168A-11-0363

RATE CASE  
PROCEDURAL ORDER

On September 30, 2011, Truxton Canyon Water Company, Inc. ("Truxton" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for an increase in its water rates and charges, using a test year ("TY") ending June 30, 2011. Truxton's application requests authorization to increase its rates to generate an additional \$312,034 in gross revenues per year, resulting in a 97.24 percent increase over unaudited test year revenues. Truxton's application states that the additional revenues will be obtained through having the Valle Vista Property Owner Association become a customer of Truxton. Under Truxton's proposed rates, the minimum monthly charge for a customer served by a 3/4-inch meter with an average monthly water use of 5,818 gallons will decrease from \$28.30 per month to \$25.37.

On October 31, 2011, Staff issued a Letter of Sufficiency in this docket stating that Truxton's application has met the sufficiency requirements as outlined in A.A.C. R14-2-103 and that Truxton has been classified as a Class C utility.

Pursuant to A.A.C. R14-2-103 and A.A.C. R14-3-101 *et seq.*, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall commence on **May 7, 2012, at 10:00 a.m.**, or as soon thereafter as is practicable, at the Commission's offices, 1200 West Washington Street, **Hearing Room No. 1**, Phoenix, Arizona. **Additional hearing dates** shall proceed on **May 8, 2012**, if necessary.

IT IS THEREFORE ORDERED that a **pre-hearing conference** shall be held on **May 3, 2012, at 10:00 a.m.**, or as soon thereafter as is practicable, at the Commission's Offices, **Room 100**,

1 1200 West Washington, Phoenix, Arizona 85007.

2 IT IS FURTHER ORDERED that the **Staff Report or testimony and associated exhibits** to  
3 be presented at hearing **by Staff** shall be reduced to writing and filed on or before **March 15, 2012**.

4 IT IS FURTHER ORDERED that the **direct testimony and associated exhibits** to be presented  
5 at hearing by an intervenor shall be reduced to writing and filed on or before **March 15, 2012**.

6 IT IS FURTHER ORDERED that the **rebuttal testimony and associated exhibits** to be  
7 presented at hearing **by Truxton** shall be reduced to writing and filed on or before **April 5, 2012**.

8 IT IS FURTHER ORDERED that the **surrebuttal testimony and associated exhibits** to be  
9 presented at hearing **by Staff or intervenors** shall be reduced to writing and filed on or before **April**  
10 **20, 2012**.

11 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits** to be  
12 presented at hearing **by Truxton** shall be reduced to writing and filed on or before **April 27, 2012**.

13 IT IS FURTHER ORDERED that **any objections to testimony or exhibits** that have been  
14 filed as of **April 27, 2012**, shall be made on or before **May 3, 2012**.

15 IT IS FURTHER ORDERED that **each party shall individually prepare, and bring to the**  
16 **prehearing conference, copies of an issues matrix setting forth all disputed issues in the case.**  
17 **Each party's matrix shall indicate the position of each party on each disputed issue and shall**  
18 **indicate whether the issue remains in dispute or has been resolved and, if it has been resolved in**  
19 **what manner.**

20 IT IS FURTHER ORDERED that **all testimony filed shall include a table of contents**  
21 **listing the issues discussed herein.**

22 IT IS FURTHER ORDERED that **any substantive corrections, revisions, or supplements**  
23 **to the pre-filed testimony** shall be reduced to writing and filed no later than **May 3, 2012**.

24 IT IS FURTHER ORDERED that the parties shall prepare a **brief written summary** of the  
25 pre-filed testimony of their witnesses and shall file each summary no later than **May 3, 2012**.

26 IT IS FURTHER ORDERED that copies of the summaries shall be served upon the  
27 Administrative Law Judge, the Commissioners, the Commissioner's Advisors, and the parties of record.

28

1 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,  
2 except that all **Motions to Intervene** must be filed on or before **January 3, 2012**.

3 IT IS FURTHER ORDERED that **any objections to intervention** shall be filed on or before  
4 **January 20, 2012**.

5 IT IS FURTHER ORDERED that any motion filed in this matter, other than a motion to  
6 intervene, that is not ruled upon by the Commission within 20 calendar days of the filing date of the  
7 motion shall be deemed denied.

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

10 IT IS FURTHER ORDERED that any reply related to a motion shall be filed within five  
11 calendar days of the filing date of the response to the motion.

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

15 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF TRUXTON**  
16 **CANYON WATER COMPANY, INC. FOR APPROVAL OF A RATE INCREASE**  
**(DOCKET NO. W-02168A-11-0363)**

17 On September 30, 2011, Truxton Canyon Water Company, Inc. ("Truxton" or  
18 "Company") filed with the Arizona Corporation Commission ("Commission") an  
19 application for an increase in its water rates and charges, using a test year ending June  
20 30, 2011. Truxton's application requests authorization to increase its rates to generate  
21 an additional \$312,034 in gross revenues per year, resulting in a 97.24 percent increase  
22 over unaudited test year revenues. Truxton's application states the additional revenues  
will be obtained through the funds generated in having Valle Vista Property Owner  
Association become a customer of the Company. Under Truxton's proposed rates, a  
minimum monthly charge for a customer served by a 3/4-inch meter with an average  
monthly water use of 5,818 gallons will decrease from \$28.30 per month to \$25.37.

23 The Commission's Utilities Division Staff ("Staff") is in the process of auditing and  
24 analyzing Truxton's records and has not yet made a recommendation regarding  
25 Truxton's rate application. The Commission is not bound by the proposals made by  
26 Truxton, Staff, or any intervenors. The Commission will issue a Decision regarding  
27 Truxton's rate application following consideration of testimony and evidence  
28 presented at an evidentiary hearing. The final rates approved by the Commission may  
be higher or lower than those proposed by Truxton.

A copy of the application is available at Truxton's offices [insert addresses] and at  
the Commission's offices at 1200 West Washington Street, Phoenix, Arizona, for  
public inspection during regular business hours, and on the internet via the  
Commission website (www.azcc.gov) using the e-docket function.

1 The Commission will hold a hearing on Truxton's application beginning **May 7, 2012,**  
 2 **at 10:00 a.m.,** at the Commission's offices, 1200 West Washington Street, Hearing  
 3 Room No. 1, Phoenix, Arizona. Public comments will be taken on the first day of the  
 4 hearing. Written public comments may be submitted via e-mail (visit  
 5 <http://www.azcc.gov/Divisions/Utilities/forms/PublicCommentForm.pdf> for  
 6 instructions), or by mailing a letter referencing Docket No. W-02168A-11-0363 to: Arizona  
 7 Corporation Commission, Consumer Services Section, 1200 West Washington Street,  
 8 Phoenix, Arizona 85007. If you require assistance, you may contact the Consumer Services  
 9 Section at 1-800-222-7000 or 602-542-4251.

6 The law provides for an open public hearing at which, under appropriate  
 7 circumstances, interested parties may intervene. Any person or entity entitled by law  
 8 to intervene and having a direct and substantial interest in the matter will be permitted  
 9 to intervene. If you wish to intervene, you must file an original and 13 copies of a  
 10 written motion to intervene with the Commission no later than on **January 3, 2012,** and  
 11 send a copy of the motion to Truxton or its counsel and to all parties of record. Your  
 12 motion to intervene must contain the following:

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

14 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except  
 15 that all motions to intervene must be filed on or before on **January 3, 2012.** If  
 16 representation by counsel is required by Arizona Supreme Court Rules 31 and 38,  
 17 intervention will be conditioned upon the intervenor obtaining counsel to represent the  
 18 intervenor. For information about requesting intervention, visit the Commission's  
 19 website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of  
 20 intervention, among other things, entitles a party to present sworn evidence at hearing  
 21 and to cross-examine other witnesses. However, failure to intervene will not preclude  
 22 any interested person or entity from appearing at the hearing and providing public  
 23 comment on the application or from filing written comments in the record of the case.

20 The Commission does not discriminate on the basis of disability in admission to its  
 21 public meetings. Persons with a disability may request a reasonable accommodation  
 22 such as a sign language interpreter, as well as request this document in an alternative  
 23 format, by contacting the ADA Coordinator Shaylin Bernal, e-mail  
 24 [sabernal@azcc.gov](mailto:sabernal@azcc.gov), voice phone number 602-542-3931. Requests should be made as  
 25 early as possible to allow time to arrange the accommodation.

24 IT IS FURTHER ORDERED that by **December 2, 2011,** Truxton shall mail a copy of the  
 25 **above notice** to each of its customers in its service area and **shall cause the above notice to be**  
 26 **published** in a newspaper(s) of general circulation in its service territory.

27 IT IS FURTHER ORDERED that Truxton shall file certification of mailing and  
 28 **publication** as soon as practicable after mailing/publication has been completed, but no later than on

1 **December 30, 2011.**

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

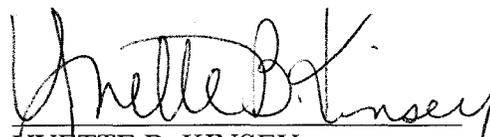
4 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized  
5 Communications) applies to this proceeding, as the matter is now set for public hearing, and shall  
6 remain in effect until the Commission's Decision in this matter is final and non-appealable.

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

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

15 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
16 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

17 DATED this 4<sup>th</sup> day of November, 2011.

18  
19   
20 YVETTE B. KINSEY  
21 ADMINISTRATIVE LAW JUDGE

22 Copies of the foregoing mailed  
23 this 4<sup>th</sup> day of November, 2011 to:

24 Steve Wene  
25 MOYES SELLERS & HENDRICKS LTD.  
1850 North Central Avenue, Suite 1100  
Phoenix, AZ 85004  
Attorneys for Truxton Canyon Water Co., Inc.

26 Janice Alward, Chief Counsel  
27 Legal Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

Steven M. Olea, Director  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

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

By:   
Debra Broyles  
Secretary to Yvette B. Kinsey