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BEFORE THE ARIZONA CORPORATION COMMISSION
Arizona Corporation Commission

COMMISSIONERS

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

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AZ CORP COMMISSION
DOCKET CONTROL

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IN THE MATTER OF THE APPLICATION OF
CEDAR GROVE WATER, INC. FOR APPROVAL
OF A RATE INCREASE.

DOCKET NO. W-20541A-11-0199

PROCEDURAL ORDER

BY THE COMMISSION:

On May 17, 2011, Cedar Grove Water, Inc. ("Company" or "Applicant") filed with the Arizona Corporation Commission ("Commission") an application for an increase in its permanent rates and charges.

On May 20, 2011, the Company filed a letter stating that although the Company had requested revenues in excess of \$250,000, which will result in the Applicant being classified as a Class C water utility, the Company is requesting that its application be processed on the short form rate application which the Company used in its filing that is normally utilized in rate applications by Class D and Class E water utilities.

On June 16, 2011, pursuant to A.A.C. R14-3-103, the Commission's Utilities Division ("Staff") filed a letter indicating the Company's rate application was sufficient, and classifying the Company as a Class C utility.

On June 22, 2011, by Procedural Order, certain dates were established for the preparation and conduct of this proceeding.

On October 3, 2011, Staff filed a request for a seven day extension of time, until October 14, 2011, to file a Staff Report and/or Direct Testimony instead of October 7, 2011, due to personnel changes.

On October 5, 2011, by Procedural Order, Staff was granted until October 14, 2011, to file the Staff Report and Respondent was granted a similar seven-day extension, until October 28, 2011, to file rebuttal.

1 On October 14, 2011, Staff filed its report which recommends approval of a rate increase
2 using Staff's recommended rates and charges.

3 On October 24, 2011, the Company filed a request for an extension, until November 2, 2011,
4 to file its rebuttal because Applicant stated that the Staff Report was not received until October 20,
5 2011. Staff had no objections to the Company's request.

6 On October 25, 2011, by Procedural Order, the Company's request was granted, and the Staff
7 was granted a similar extension to file surrebuttal, if necessary.

8 On October 29, 2011, the Company filed its response to the Staff Report.

9 On November 7, 2011, Staff filed a request for a 60-day extension of time to file its reply to
10 the Company's response. Staff states that it requires the extension to evaluate new issues raised in
11 the Company's response which "contains significantly different or new numbers, as well as changes
12 in the requested revenue to less than \$250,000"¹ as originally requested in the initial application.
13 Additionally, Staff described its concerns with the Company's bill counts which Staff alleges do not
14 support the current case and the Company has not filed new bill counts for its revised case.

15 On November 10, 2011, a full public hearing was convened before a duly authorized
16 Administrative Law Judge of the Commission at its offices in Phoenix, Arizona. The Company was
17 represented by its vice-president and Staff was present with counsel. No one appeared to make public
18 comment. The Company had no objections to Staff's request for a 60-day extension and is willing to
19 waive a further hearing based on its most recent filing. The Company was advised that if it disagrees
20 with the revised Staff Report which is to be filed, that it could file exceptions and also request a
21 hearing.

22 **IT IS THEREFORE ORDERED that Utilities Division shall have until January 9, 2012, to**
23 **file its revised Staff Report.**

24 **IT IS FURTHER ORDERED that Cedar Grove Water, Inc. shall have until January 24,**
25 **2012, to file its exceptions to the revised Staff Report.**

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28 ¹ Pursuant to A.R.S. § 40-250(A), since Staff indicates that Applicant's gross operating revenues including the requested rate relief as set forth in the Company's Response will be less than \$250,000, a decision may be made by the Commission without a hearing.

1 IT IS FURTHER ORDERED that a **further hearing in this matter may not be required**
2 **unless requested by a party.**

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

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

12 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
13 Communications) continues to apply to this proceeding and shall remain in effect until the
14 Commission's Decision in this matter is final and non-appealable.

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

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

20 DATED this 14th day of November, 2011.

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23 
24 MARC E. STERN
25 ADMINISTRATIVE LAW JUDGE
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1 Copies of the foregoing mailed
2 this 14~~th~~ day of November, 2011 to:

3 Thomas Grapp, Vice President of Operations
4 CEDAR GROVE WATER, INC.
5 P.O. Box 1270
6 Show Low, AZ 85902-1270

7 Janice Alward, Chief Counsel
8 Legal Division
9 ARIZONA CORPORATION COMMISSION
10 1200 West Washington Street
11 Phoenix, AZ 85007

12 Steven M. Olea, Director
13 Utilities Division
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15 1200 West Washington Street
16 Phoenix, AZ 85007

17 By: 
18 Debra Broyles
19 Secretary to Marc E. Stern
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