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BEFORE THE ARIZONA CORPORATION COMMISSION

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2011 DEC -2 P 1:57

DEC 2 2011

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY

IN THE MATTER OF THE APPLICATION
OF APPALOOSA WATER COMPANY
FOR APPROVAL OF A FINANCING
APPLICATION.

DOCKET NO. W-03443A-10-0143

IN THE MATTER OF THE APPLICATION
OF APPALOOSA WATER COMPANY FOR
APPROVAL OF A RATE INCREASE.

DOCKET NO. W-03443A-11-0040

PROCEDURAL ORDER
SUSPENDING TIMECLOCK

On April 10, 2011, Appaloosa Water Company ("Appaloosa" or "Company") filed with the Arizona Corporation Commission an application requesting approval to obtain financing through the Water Infrastructure Financing Authority in the amount of \$855,193 to construct a 500,000 gallon storage tank, to purchase an emergency generator, and to extend the Company's main line.

On January 26, 2011, Appaloosa filed with the Commission an application for a permanent increase in its water rates and charges, using a test year ending December 31, 2009. Appaloosa's application requested an increase in rates to generate an additional \$131,153 over total test year revenues.

On February 10, 2011, the Commission's Utilities Division ("Staff") filed a Request for Suspension of Timeclock ("Request"). In its Request, Staff stated that after Staff reviewed Appaloosa's Application and discussed the Application with Appaloosa, Appaloosa agreed to file an amended application using a 2010 test year. Staff requested a suspension of the timeclock until Appaloosa had filed its amended application.

On February 17, 2011, Appaloosa filed an amended application using a 2010 test year.

On February 24, 2011, by Procedural Order, Staff's Request for Suspension of Timeclock was granted.

1 On March 21, 2011, Mr. John E. Blann, Jr. filed a Motion to Intervene stating that he is a
2 residential customer of Appaloosa Water Company and that he will be impacted if an increase in
3 water rates is granted. No objections were filed to Mr. Blann's request for intervention.

4 On April 19, 2011, by Procedural Order, Mr. John E. Blann, Jr.'s Motion to Intervene was
5 granted.

6 On June 22, 2011, Appaloosa filed a second amended application using a test year ending
7 December 31, 2010. The amended application requests authorization to increase its rates to generate
8 an additional \$140,888 in annual revenues, approximately a 100 percent increase over its reported
9 test year revenues.

10 On July 22, 2011, Staff issued a Letter of Sufficiency in this docket stating that Appaloosa's
11 application has met the sufficiency requirements as outlined in A.A.C. R14-2-103 and that Appaloosa
12 has been classified as a Class C utility.

13 On July 26, 2011, by Procedural Order, the hearing in this matter was schedule to begin on
14 January 17, 2012, and other procedural deadlines were established.

15 On August 2, 2011, Staff filed a Motion to Consolidate ("Motion"). The Motion requested
16 consolidation of Appaloosa's Rate Application (Docket No. W-03443A-11-0040), with its Financing
17 Application (Docket No. W-03443A-11-0143). The Motion stated that the issues involved in the two
18 applications are substantially related and consolidation would allow for the efficient use of Staff's
19 resources in analyzing these matters.

20 On August 5, 2011, by Procedural Order, Staff's request to consolidate the two dockets was
21 granted, and the hearing was rescheduled from January 17, 2012, to March 5, 2012. The Procedural
22 Order directed Staff to file its Staff Report or direct testimony on or before December 5, 2011, and
23 continued suspension of the timeclock in these consolidated matters.

24 On November 18, 2011, Staff filed a Request for a Procedural Order asking that the timeclock
25 and filing deadlines associated with the consolidated dockets be suspended indefinitely in order to
26 allow Appaloosa additional time to provide Staff with information essential to processing the
27
28

1 applications.¹ Staff also requested that timeclock remain suspended until Staff files notice that it has
2 received the additional information.

3 Staff's request for additional time to acquire information related to the WIFA loan is
4 reasonable. Further, Staff's request to indefinitely suspend the timeclock until Staff files notice in this
5 docket that its analysis of the two applications is complete is also reasonable. Accordingly, Staff's
6 requests should be granted.

7 IT IS THEREFORE ORDERED that the timeclock and filing deadlines associated with these
8 consolidated matters shall be indefinitely suspended.

9 IT IS FURTHER ORDERED that Staff shall file notice in this docket when it has received the
10 information from Appaloosa Water Company regarding the Water Infrastructure Financing Authority
11 loan and Staff's analysis of the applications is complete.

12 IT IS FURTHER ORDERED that Appaloosa Water Company shall fully cooperate with Staff
13 to provide any information related to its applications filed in this matter.

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

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

23 ...
24 ...
25 ...
26 ...

27 _____
28 ¹ Staff states it has been in contact with Appaloosa to acquire information that substantiates whether the \$200,000 loan provided by the Water Infrastructure Finance Authority to construct the Company's arsenic treatment plant was used for that purpose.

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

3 DATED this 2nd day of December, 2011.
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6 
7 YVETTE B. KINSEY
ADMINISTRATIVE LAW JUDGE

8
9 Copies of the foregoing mailed
this 2nd day of December, 2011, to:

10 Joe Cordova, President
APPALOOSA WATER COMPANY
11 P.O. Box 3150
Chino Valley, AZ 86323

12 John E. Blann, Jr.
13 2925 Harrison Drive
Chino Valley, AZ 86323

14 Janice Alward, Chief Counsel
15 Legal Division
ARIZONA CORPORATION COMMISSION
16 1200 West Washington Street
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17 Steven M. Olea, Director
18 ARIZONA CORPORATION COMMISSION
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19 Phoenix, Arizona 85007

20 By: 
21 Debra Broyles
22 Secretary to Yvette B. Kinsey