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BEFORE THE ARIZONA CORPORATION CO.

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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

DOCKET NO. W-01445A-10-0517

IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR ADJUSTMENTS TO ITS RATES AND CHARGES FOR UTILITY SERVICE FURNISHED BY ITS WESTERN GROUP AND FOR CERTAIN RELATED APPROVALS.

PROCEDURAL ORDER

BY THE COMMISSION:

On December 29, 2010, Arizona Water Company ("AWC") filed with the Arizona Corporation Commission ("Commission") an application requesting adjustments to its rates and charges for utility service provided by its Western Group water systems, including its Pinal Valley (Casa Grande, Coolidge, and Stanfield); Ajo; and White Tank water systems. AWC's rate application used a test year ending December 31, 2009. AWC's current rates were established in Decision No. 71845 (August 25, 2010), based on a test year ending December 31, 2007.

Between January 7, 2011, and March 24, 2011, AWC and the Commission's Utilities Division ("Staff") were involved in a dispute as to the sufficiency of AWC's application based upon AWC's test year. On March 24, 2011, a procedural conference was held, and the parties were able to reach agreement as to the resolution of their dispute. The particular points of agreement were read into the record.<sup>1</sup> As part of the agreement, AWC agreed to file, in this docket, a fully amended new application packet for its Western Group using a test year ending December 31, 2010.

On May 9, 2011, AWC filed an Amended Application for its Western Group, using a test year ending December 31, 2010.

On June 8, 2011, Staff issued a Letter of Sufficiency, stating that AWC's Amended

<sup>1</sup> All of the items of agreement are included in the transcript for the procedural conference.

1 Application had met the sufficiency requirements outlined in A.A.C. R14-2-103 and classifying  
2 AWC as a Class A utility.

3 On June 15, 2011, the Residential Utility Consumer Office ("RUCO") filed an Application to  
4 Intervene, which was granted by Procedural Order on June 28, 2011.

5 On July 15, 2011, a Procedural Order was issued vacating a prior procedural schedule;  
6 establishing a procedural schedule with a hearing to commence on February 21, 2012; and  
7 establishing other procedural requirements and deadlines. AWC's deadline to mail notice to its  
8 customers was subsequently extended by a Procedural Order issued on July 20, 2011, in response to  
9 an AWC request.

10 On August 26, 2011, AWC filed a Certification of Notice, showing that notice had been  
11 mailed to each of its customers during the July 22 billing cycle, which was completed on August 18,  
12 2011, and that notice had been published in the *West Valley View* on July 26, 2011, and in the  
13 *Coolidge Examiner*, the *Casa Grande Dispatch*, and the *Ajo Copper News* on July 27, 2011.

14 On September 13, 2011, Abbott Laboratories ("Abbott") filed an Application to Intervene,  
15 which was granted by Procedural Order on September 26, 2011.

16 On October 3, 2011,<sup>2</sup> Water Utilities Association of Arizona ("WUAA") filed an Application  
17 to Intervene, which was granted by Procedural Order on October 11, 2011.

18 On December 2, 2011, Staff filed Staff's Motion for Extension of Time to File Rate Design  
19 Testimony ("Staff Motion"), in which Staff requested that its deadline to file rate design testimony be  
20 extended from December 5, 2011, to December 12, 2011. Staff stated that the request is consistent  
21 with other rate cases that allow rate design testimony to be filed after all other testimony. Staff also  
22 asserted that Staff had contacted AWC, Abbott, and RUCO regarding the Staff Motion, and that none  
23 of them had objected, although AWC had stated that it would also then require an extension for its  
24 rebuttal rate design testimony, and RUCO had stated that all other parties must receive the same  
25 extension for their rate design direct testimony. Staff stated that it has no objection to these other  
26 extensions. Staff also stated that it had contacted WUAA, but had not received a response.

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28 <sup>2</sup> This filing date is considered to be timely as the filing deadline for Motions to Intervene was inadvertently set for  
October 1, 2011, a Saturday.

1 Because it appears that Staff needs additional time to complete its rate design testimony, and  
2 AWC, RUCO, and Abbott have no objection to allowing Staff that additional time, it is reasonable  
3 and appropriate to grant the Staff Motion.<sup>3</sup> In addition, it is reasonable and appropriate to provide the  
4 intervenors the same extension as provided to Staff, and to provide AWC a corresponding extension  
5 for its rebuttal rate design testimony.

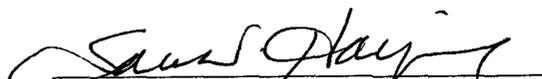
6 IT IS THEREFORE ORDERED that the filing deadline for **Staff and intervenor direct**  
7 **testimony and associated exhibits specifically related to rate design** is hereby extended to  
8 **December 12, 2011.**

9 IT IS FURTHER ORDERED that the filing deadline for AWC's **rebuttal testimony and**  
10 **associated exhibits specifically related to rate design** is hereby extended to **January 13, 2012.**

11 IT IS FURTHER ORDERED that the other requirements of the Procedural Order issued on  
12 July 15, 2011, as modified by the Procedural Order issued on July 20, 2011, remain in effect.

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

16 DATED this 5<sup>th</sup> day of December, 2011.

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19   
20 SARAH N. HARPRING  
21 ADMINISTRATIVE LAW JUDGE

22 Copies of the foregoing mailed/delivered  
23 this 5<sup>th</sup> day of December, 2011 to:

24 Steven A. Hirsch  
25 Stanley B. Lutz  
26 BRYAN CAVE LLP  
Two North Central Avenue, Suite 2200  
Phoenix, AZ 85004-4406  
Attorneys for Arizona Water Company

27 <sup>3</sup> Although it would be preferable to have WUAA's position on the requested extension before deciding on the Staff  
28 Motion, waiting for WUAA to respond to the Staff Motion before acting on it would effectively grant the Staff Motion.  
Additionally, as WUAA apparently has been made aware of the Staff Request, WUAA should not be prejudiced in any  
way by being granted an extension of time to file its rate design direct testimony.

1 Robert W. Geake, Vice President and General Counsel  
ARIZONA WATER COMPANY  
2 P.O. Box 29006  
Phoenix, AZ 85038-9006

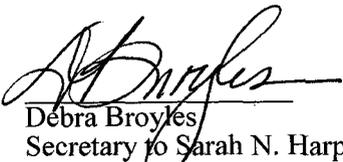
3 Daniel W. Pozefsky, Chief Counsel  
RESIDENTIAL UTILITY CONSUMER OFFICE  
4 1110 West Washington Street, Suite 220  
Phoenix, AZ 85007

5 Michele Van Quathem  
6 RYLEY CARLOCK & APPLEWHITE  
One North Central Avenue, Suite 1200  
7 Phoenix, AZ 85004-4417  
Attorneys for Abbott Laboratories

8 Greg Patterson  
9 MUNGER CHADWICK, PLC  
2398 East Camelback Road, Suite 240  
Phoenix, AZ 85016  
10 Attorneys for Water Utilities Association of Arizona

11 Janice Alward, Chief Counsel  
Legal Division  
12 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
13 Phoenix, AZ 85007

14 Steven M. Olea, Director  
Utilities Division  
15 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
16 Phoenix, AZ 85007

17 By:   
18 Debra Broyles  
19 Secretary to Sarah N. Harpring

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21  
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23  
24  
25  
26  
27  
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