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BEFORE THE ARIZONA CORPORATION COMMISSION

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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

IN THE MATTER OF THE APPLICATION OF  
AVRA WATER CO-OP, INC. FOR A  
DETERMINATION OF THE FAIR VALUE OF ITS  
UTILITY PROPERTY AND FOR AN INCREASE  
IN ITS WATER RATES AND CHARGES FOR  
UTILITY SERVICES.

DOCKET NO. W-02126A-11-0480

RATE CASE  
PROCEDURAL ORDER

**BY THE COMMISSION:**

On December 30, 2011, Avra Water Co-op, Inc, ("Avra" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for a rate increase.

On January 30, 2012, the Commission's Utilities Division ("Staff") notified the Company that its application was sufficient under the guidelines outlined in the Arizona Administrative Code R14-2-103, and classified the utility as Class B.

Pursuant to A.A.C. R14-3-101, 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 **October 23, 2012, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices, **Room 222, 400 West Congress, Tucson, Arizona 85701.**

IT IS FURTHER ORDERED that a **telephonic pre-hearing conference shall be held on October 18, 2012, at 10:00 a.m.**, at the Commission's Tucson Offices, Room 218, 400 West Congress, Tucson, Arizona, 85701 for the purpose of scheduling witnesses and the conduct of the hearing. The parties should contact the Hearing Division at (620) 542-4250 prior to the scheduled pre-hearing conference date obtain directions for participating telephonically.

1 IT IS FURTHER ORDERED that any **direct testimony (except that related to rate design**  
2 **and cost of service)** and associated exhibits to be presented at hearing on behalf of **Staff** shall be  
3 reduced to writing and filed on or before **July 27, 2012**.

4 IT IS FURTHER ORDERED that any **direct testimony (except that related to rate design**  
5 **and cost of service)** and associated exhibits to be presented at hearing on behalf of **intervenors** shall  
6 be reduced to writing and filed on or before **July 27, 2012**.

7 IT IS FURTHER ORDERED that any **direct testimony related rate design and cost of**  
8 **service** and associated exhibits to be presented at hearing on behalf of **Staff and Intervenors** shall be  
9 reduced to writing and filed on or before **August 6, 2012**.

10 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be  
11 presented at hearing by the **Company** shall be reduced to writing and filed on or before **September**  
12 **9, 2012**.

13 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be  
14 presented by the Staff and/or intervenors shall be reduced to writing and filed on or before **October**  
15 **2, 2012**.

16 IT IS FURTHER ORDERED that any **rejoinder testimony** and associated exhibits to be  
17 presented at the hearing by the Company shall be reduced to writing and filed on or before **October**  
18 **16, 2012**.

19 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have  
20 been prefiled as of October 16, 2012, shall be made on or before the Pre-Haring Conference.

21 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to  
22 pre-filed testimony shall be reduced to writing and filed no later than five days before the witness is  
23 scheduled to testify.

24 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-  
25 105, except that all motions to intervene must be filed **on or before June 15, 2012**.

26 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and  
27 regulations of the Commission, except that through September 28, 2012, any objection to discovery  
28

1 requests shall be made within 7 days<sup>1</sup> of receipt and responses to discovery requests shall be made  
 2 within 10 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and  
 3 responses shall be made in 7 days;<sup>1</sup> the response time may be extended by mutual agreement of the  
 4 parties involved if the request requires an extensive compilation effort.

5 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel  
 6 discovery, any party seeking discovery may telephonically contact the Commission's Hearing  
 7 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a  
 8 request, a procedural hearing will be convened as soon as practicable; and that the party making such  
 9 a request shall forthwith contact all other parties to advise them of the hearing date and shall at the  
 10 hearing provide a statement confirming that the other parties were contacted.<sup>2</sup>

11 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by  
 12 the Commission within 20 days of the filing date of the motion shall be deemed denied.

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

15 IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date  
 16 of the response.

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

20 **PUBLIC NOTICE OF HEARING ON THE**  
 21 **RATE APPLICATION OF**  
 22 **AVRA WATER CO-OP, INC.**  
 23 **Docket No. W-02126A-11-0480**

24 On December 30, 2011, Avra Water Co-op, Inc. ("Avra" or "Company") filed an  
 25 application with the Arizona Corporation Commission ("Commission") for an increase  
 26 in annual revenues of \$187,331, or 11.62 percent over test year revenues.

27 Under the rates as proposed by the Company, a residential customer with a 5/8 x 3/4"  
 28 meter, with an average monthly usage of 9,221 gallons, would see a monthly increase

<sup>1</sup> "Days" means calendar days.

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

1 of \$3.73, or 7.65 percent, from \$48.68 to \$52.41. A customer's bill depends on meter  
2 size and how much water is used each month. A customer with a larger meter and/or  
using less or more than the average would experience a smaller or larger increase.

3 If you have any questions concerning how the Company's rate proposal will affect  
4 your bill or have other substantive questions about this application, you may contact  
5 the Company at: **[COMPANY SHOULD INSERT NAME, ADDRESS,  
TELEPHONE NUMBER, AND E-MAIL ADDRESS FOR CUSTOMER  
CONTACTS CONCERNING THE APPLICATION].**

6 The Commission's Utilities Division Staff has yet made a recommendation regarding  
7 the Company's rate proposal, and the Commission will determine the appropriate rate  
8 relief to be granted based on the evidence of record in this proceeding. The  
9 Commission is not bound by the proposals made by the Company, Staff, or any  
intervenor and, therefore, the final rates approved in this docket may be lower or  
higher than the rates described above.

10 **How You Can View or Obtain a Copy of the Rate Proposal**

11 Copies of the application and proposed tariffs are available at the Company's offices  
12 **[INSERT ADDRESS]** and at the Commission's Docket Control Center at 1200 West  
13 Washington, Phoenix, Arizona and its Tucson offices, 400 West Congress, Suite 218,  
Tucson, Arizona, and on the internet via the Commission website ([/www.azcc.gov/](http://www.azcc.gov/))  
using the e-docket function.

14 **Public Hearing Information**

15 The Commission will hold a **hearing** on this matter beginning **October 23, 2012, at**  
16 **10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress, Tucson,  
Arizona, 85701.

17 Public comments will be taken at the beginning of the hearing. Written public  
18 comments may be submitted by mailing a letter referencing Docket No. W-02126A-  
11-0480 to Arizona Corporation Commission, Consumer Services Section, 1200 West  
19 Washington, Phoenix, AZ 85007, or by email. For a form to use and instructions on  
20 how to e-mail comments to the Commission, go to  
<http://www.azcc.gov/divisions/utilities/forms/PublicCommentForm.pdf>. If you  
require assistance, you may contact the Consumer Services Section at 1-800-222-7000  
or (520) 628-6550.

21 **About Intervention**

22 The law provides for an open public hearing at which, under appropriate  
23 circumstances, interested parties may intervene. Any person or entity entitled by law  
24 to intervene and having a direct and substantial interest in the matter will be permitted  
25 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 **June 15, 2012**, and a  
copy of the motion to Goodman or its counsel and to all parties of record. Your  
motion must contain the following:

- 26 1. Your name, address, and telephone number and the name, address and  
27 telephone number of any party upon whom service of documents is to  
be made, if not yourself.

- 1 2. A short statement of your interest in the proceeding (e.g., a customer of  
the Company, etc.).
- 2 3. A statement certifying that you have mailed a copy of the motion to  
3 intervene to the Company or its counsel and to all parties of record in  
the case.

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

10 **ADA/Equal Access Information**

11 The Commission does not discriminate on the basis of disability in admission to its  
12 public meetings. Persons with a disability may request a reasonable accommodation  
13 such as a sign language interpreter, as well as request this document in an alternative  
format, by contacting the ADA Coordinator Shaylin Bernal, E-mail  
14 SABernal@azcc.gov, voice phone number 602/542-3931. Requests should be made  
as early as possible to allow time to arrange the accommodation.

15 IT IS FURTHER ORDERED that the Company shall **mail** to each of its customers a copy of  
16 the above notice by **March 30, 2012**, and shall cause the above notice to be published at least once in  
17 a newspaper of local circulation in its service territory, with **publication** to be completed no later  
18 than **March 30, 2012**.

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

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

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

27 IT IS FURTHER ORDERED that all parties must comply with Rule 33 (c) and (d) of the  
28 Rules of the Arizona Supreme Court with respect to practice of law and admission pro hac vice.

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

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

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

11 DATED this 7th day of February, 2012.

12  
13  
14   
15 JANE L. RODDA  
ADMINISTRATIVE LAW JUDGE

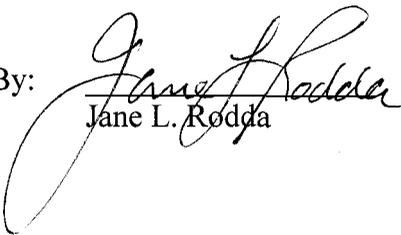
16 Copies of the foregoing mailed  
17 this 7th day of February, 2012 to:

18 Mr. Robert Metli  
19 Munger, Chadwick, PLC  
20 2398 East Camelback Road, Suite 240  
21 Phoenix, AZ 85016  
22 Attorneys for Avra Water Co-op, Inc.

Steven Olea, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 W. Washington Street  
Phoenix, Arizona 85007

23 Janice Alward, Chief Counsel  
24 Legal Division  
25 ARIZONA CORPORATION COMMISSION  
26 1200 W. Washington Street  
27 Phoenix, Arizona 85007

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28  
By:   
Jane L. Rodda