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BEFORE THE ARIZONA CORPORATION COMMISSION

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2 COMMISSIONERS

3 GARY PIERCE - Chairman
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Arizona Corporation Commission

DOCKETED

AZ CORP COMMISSION
DOCKET CONTROL

FEB 13 2012

DOCKETED BY *mm*

7 IN THE MATTER OF THE APPLICATION OF
8 CLEAR SPRINGS UTILITY CO., INC. FOR A
9 RATE INCREASE.

DOCKET NO. WS-01689A-11-0402

RATE CASE
PROCEDURAL ORDER

10 **BY THE COMMISSION:**

11 On November 3, 2011, Clear Springs Utility Co., Inc. ("Clear Springs" or "Company") filed
12 an application with the Arizona Corporation Commission ("Commission") for a rate increase.

13 On December 5, 2011, the Commission's Utilities Division ("Staff") notified the Company
14 that its application was not sufficient under the guidelines outlined in the Arizona Administrative
15 Code R14-2-103.

16 On December 29, 2011, the Company filed a Response to the Deficiency Letter.

17 On January 30, 2012, Staff docketed a letter that notified the Company that its application was
18 sufficient, and classified the Company has a Class C utility.

19 Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern
20 the preparation and conduct of this proceeding.

21
22 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
23 commence on **August 6, 2012, at 10:00 a.m.**, or as soon thereafter as is practical, at the
24 Commission's offices, **Room 222**, 400 West Congress, Tucson, Arizona 85701.

25 IT IS FURTHER ORDERED that **the Staff Report** and/or any direct testimony and
26 associated exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed
27 on or before **June 13, 2012**.

28 IT IS FURTHER ORDERED that any **direct testimony** and associated exhibits to be

1 presented at hearing on behalf of intervenors shall be reduced to writing and filed on or before **June**
2 **13, 2012.**

3 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits in response
4 to the Staff Report or Intervenor testimony to be presented at hearing by the Company shall be
5 reduced to writing and filed on or before **July 11, 2012.**

6 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be
7 presented by the Staff and/or intervenors shall be reduced to writing and filed on or before **July 31,**
8 **2012.**

9 IT IS FURTHER ORDERED that any **rejoinder testimony** and associated exhibits to be
10 presented at the hearing by the Company may be presented on the stand during the hearing.

11 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have
12 been prefiled as of July 31, 2012, shall be made on or before August 3, 2012.

13 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
14 105, except that all motions to intervene must be filed **on or before May 31, 2012.**

15 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
16 regulations of the Commission, except that through July 13, 2012, any objection to discovery requests
17 shall be made within 7 days¹ of receipt and responses to discovery requests shall be made within 10
18 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and responses
19 shall be made in 7 days;¹ the response time may be extended by mutual agreement of the parties
20 involved if the request requires an extensive compilation effort.

21 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
22 discovery, any party seeking discovery may telephonically contact the Commission's Hearing
23 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a
24 request, a procedural hearing will be convened as soon as practicable; and that the party making such
25 a request shall forthwith contact all other parties to advise them of the hearing date and shall at the
26 hearing provide a statement confirming that the other parties were contacted.²

27 ¹ "Days" means calendar days.

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

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

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

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

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

10 **PUBLIC NOTICE OF HEARING ON THE**
11 **RATE APPLICATION OF**
12 **CLEAR SPRINGS UTILITY CO., INC.**
13 **Docket No. WS-01689A-11-0402**

14 On November 3, 2011, Clear Springs Utility Co., Inc. ("Clear Springs" or "Company")
15 filed an application with the Arizona Corporation Commission ("Commission") for an
16 increase in annual revenues for its Water Division of \$98,423, or 58.5 percent over test
17 year revenues. The Company is not requesting an overall revenue increase for its
18 Sewer Division, but is requesting a change to the rate design.

19 Under the rates as proposed by the Company for its Water Division, a residential
20 customer with a 5/8 x 3/4" meter, with an average monthly usage of 5,150 gallons,
21 would see a monthly increase of \$9.91, or 50.6 percent, from \$19.59 to \$29.50. The
22 median user of 3,318 gallons would see an increase of \$7.16, or 46.3 percent, from
23 \$15.46 to \$22.63 per month under the Company's proposal. A customer's water bill
24 depends on meter size and how much water is used each month. A customer with a
25 larger meter and/or using less or more than the average would experience a smaller or
26 larger increase.

27 For its Sewer Division, the Company is requesting to increase the monthly minimum
28 charge from \$6.50 to \$9.00 for residential customers and from \$6.50 to \$9.36, for
commercial customers. The commodity rate is currently \$0.85 per thousand gallons of
water used. The Company is proposing to keep the commodity charge unchanged, but
including the first 6,000 gallons of water usage in the monthly minimum. Under the
Company's proposal, the average residential sewer customer, with usage of 4,720
gallons a month, would see a decrease of \$1.51 a month, and the median user of 3,226
gallons, would see a slight decrease of \$0.24 per month. The actual bill impact will
depend on the amount of water used.

If you have any questions concerning how the Company's rate proposal will affect
your bill or have other substantive questions about this application, you may contact

1 the Company at: [COMPANY SHOULD INSERT NAME, ADDRESS,
2 TELEPHONE NUMBER, AND E-MAIL ADDRESS FOR CUSTOMER
CONTACTS CONCERNING THE APPLICATION].

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

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

8 Copies of the application and proposed tariffs are available at the Company's offices
9 [INSERT ADDRESS] and at the Commission's Docket Control Center at 1200 West
10 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/)
using the e-docket function.

11 **Public Hearing Information**

12 The Commission will hold a **hearing** on this matter beginning **August 6, 2012, at**
13 **10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress, Tucson,
Arizona 85701.

14 Public comments will be taken at the beginning of the hearing. Written public
15 comments may be submitted by mailing a letter referencing Docket No. WS-01689A-
16 11-0402 to Arizona Corporation Commission, Consumer Services Section, 1200 West
Washington, Phoenix, AZ 85007, or by email. For a form to use and instructions on
17 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.

18 **About Intervention**

19 The law provides for an open public hearing at which, under appropriate
20 circumstances, interested parties may intervene. Any person or entity entitled by law
21 to intervene and having a direct and substantial interest in the matter will be permitted
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 **May 31, 2012**, and a
copy of the motion to Clear Springs or its counsel and to all parties of record. Your
motion must contain the following:

- 22 1. Your name, address, and telephone number and the name, address and
23 telephone number of any party upon whom service of documents is to
be made, if not yourself.
- 24 2. A short statement of your interest in the proceeding (e.g., a customer of
25 the Company, etc.).
- 26 3. A statement certifying that you have mailed a copy of the motion to
27 intervene to the Company or its counsel and to all parties of record in
the case.

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

12 **ADA/Equal Access Information**

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

19 IT IS FURTHER ORDERED that the Company shall **mail** to each of its customers a copy of
20 the above notice by **March 31, 2012**, and shall cause the above notice to be published at least once in
21 a newspaper of local circulation in its service territory, with **publication** to be completed no later
22 than **March 31, 2012**.

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

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

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

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

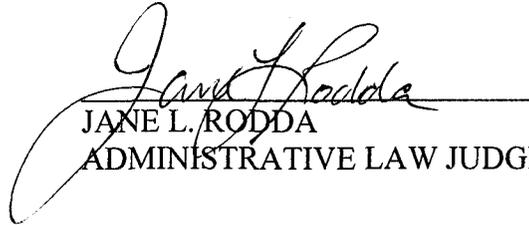
IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
Rules of the Arizona Supreme Court). Representation before the Commission includes the obligation

1 to appear at all hearings and procedural conferences, as well as all Open Meetings for which the
2 matter is scheduled for discussion, unless counsel has previously been granted permission to
3 withdraw by the Administrative Law Judge.

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

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

8 DATED this 16th day of February, 2012.

9
10
11 
12 JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

13 Copies of the foregoing mailed
14 this 16th day of February, 2012 to:

15 Steven Wene
16 MOYES SELLERS & HENDRICKS, LTD
1850 N. Central Avenue, Suite 1100
Phoenix, AZ 85004

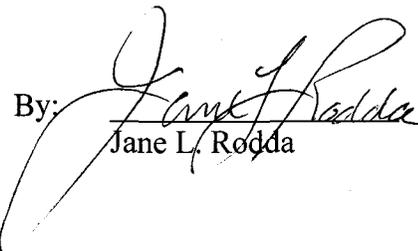
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23
24 By: 
25 Jane L. Rodda
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