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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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COMMISSIONERS

GARY PIERCE - Chairman
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PAUL NEWMAN
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2012 MAR -2 P 2: 35

MAR - 2 2012

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY [Signature]

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 EASTERN GROUP AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01445A-11-0310

PROCEDURAL ORDER

BY THE COMMISSION:

On August 5, 2011, 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 Eastern Group water systems, including its Superstition (Apache Junction, Superior, and Miami); Cochise (Bisbee and Sierra Vista); San Manuel; Oracle; SaddleBrooke Ranch; and Winkelman water systems. AWC's rate application uses a test year ending December 31, 2010. In addition to requesting an overall increase in revenue, AWC's application proposes consolidation of the Bisbee and Sierra Vista water systems into the Cochise water system; consolidation of the San Manuel, Oracle, and SaddleBrooke Ranch water systems into the Falcon Valley water system; authorization of an arsenic cost recovery mechanism ("ACRM") for the Eastern Group water systems such as the ACRM authorized in Decision No. 71845 (August 25, 2010) for the Sedona and Superstition water systems; authorization to implement a Distribution System Improvement Charge ("DSIC"); authorization to implement Off-Site Facilities Fees of \$3,500 and up for new service connections in the service area; and continuation of a Monitoring Assistance Program ("MAP") surcharge previously authorized for the Eastern Group water systems.

Since that time, the Commission's Utilities Division ("Staff") has filed a Letter of Sufficiency for AWC's rate application; intervention has been granted to the Residential Utility Consumer Office

1 (“RUCO”) and to Kathie Wyatt; a procedural conference has been held to discuss scheduling; and a
 2 Procedural Order has been issued establishing a procedural schedule that includes an evidentiary
 3 hearing to commence on May 14, 2012. The procedural schedule includes the following:

<u>Item/Event</u>	<u>Date</u>
4 Direct Testimony:	March 2, 2012
5 Rebuttal Testimony:	March 30, 2012
6 Settlement Agreement, if any:	March 30, 2012
7 Surrebuttal Testimony:	April 23, 2012
8 Rejoinder Testimony:	May 7, 2012
9 Pre-Hearing Conference:	May 9, 2012
10 First Day of Hearing	May 14, 2012

11 On March 2, 2012, Staff filed a Request for Extension of Time to File Testimony, stating that
 12 Staff is unable to file its Direct Testimony by March 2, 2012, due to staffing shortages, and
 13 requesting that the procedural schedule be modified as follows:

<u>Item/Event</u>	<u>Existing Date</u>	<u>Extension Date</u>
14 Direct Testimony:	March 2, 2012	March 13, 2012
15 Rebuttal Testimony:	March 30, 2012	April 10, 2012
16 Settlement Agreement, if any:	March 30, 2012	No Extension Requested
17 Surrebuttal Testimony:	April 23, 2012	April 27, 2012
18 Rejoinder Testimony:	May 7, 2012	May 9, 2012
19 Pre-Hearing Conference:	May 9, 2012	No Extension Requested
20 First Day of Hearing	May 14, 2012	No Extension Requested

21 Staff noted that the proposed schedule with extension would not impact the date of the hearing in this
 22 matter. Staff also asserted that both AWC and RUCO had agreed to the proposed schedule with the
 23 requested extensions, but that Staff’s attempts to contact Kathie Wyatt had been unsuccessful.

24 Because Staff is unable to complete and file its Direct Testimony today, AWC and RUCO
 25 have agreed to the scheduling modifications requested by Staff, and Ms. Wyatt has indicated that she
 26 does not object to such scheduling extensions,¹ it is reasonable and appropriate to grant the
 27 scheduling modifications. In addition, it is also appropriate to extend the deadline for the parties to
 28 file any Settlement Agreement and to reschedule the Pre-Hearing Conference so that it takes place

¹ On March 2, 2012, Hearing Division administrative staff spoke to Ms. Wyatt concerning Staff’s Request, and Ms. Wyatt indicated that she did not object to such extensions.

1 after Rejoinder Testimony has been filed.

2 IT IS THEREFORE ORDERED that the procedural schedule for this matter, established in
3 the Procedural Order issued on September 20, 2011, is hereby modified as follows:

<u>Item</u>	<u>New Filing Deadline</u>
4 Direct Testimony:	March 13, 2012
5 Rebuttal Testimony:	April 10, 2012
6 Settlement Agreement, if any:	April 23, 2012
7 Surrebuttal Testimony:	April 27, 2012
8 Rejoinder Testimony:	May 9, 2012

9 IT IS FURTHER ORDERED that the **pre-hearing conference** scheduled for **May 9, 2012**, is
10 hereby **vacated**.

11 IT IS FURTHER ORDERED that the **pre-hearing conference** for this matter shall be held on
12 **May 11, 2012**, at 1:00 p.m., in Hearing Room No. 2 at the Commission's offices in Phoenix,
13 Arizona.

14 IT IS FURTHER ORDERED that the remaining provisions of the Procedural Order issued on
15 September 20, 2011, continue in effect.

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

19 DATED this 2nd day of March, 2012.

20
21 
22 SARAH N. HARPRING
23 ADMINISTRATIVE LAW JUDGE

24 Copies of the foregoing mailed/delivered
25 this 2nd day of March, 2012, to:

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15 By: 
16 Debra Broyles
Secretary to Sarah N. Harpring

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