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BEFORE THE ARIZONA CORPORATION

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Arizona Corporation Commission

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ARIZONA CORPORATION 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  
RIO RICO UTILITIES, INC. FOR A RATE  
INCREASE.

DOCKET NO. WS-02676A-12-0196

RATE CASE  
PROCEDURAL ORDER

**BY THE COMMISSION:**

On May 31, 2012, Rio Rico Utilities, Inc. ("RRUI" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for a rate increase.

On June 28, 2012, RRUI filed an Amendment to its Application.

On July 2, 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.

On July 5, 2012, Staff filed a Proposed Schedule and Request for Procedural Order.

On July 6, 2012, the Residential Utility Consumer Office ("RUCO") filed an Application to Intervene. No party objected, and the request to intervene should be granted.

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 **March 26, 2013, 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 **pre-hearing conference shall be held on March 21, 2013, at 9:30 a.m.**, at the Commission's Tucson Offices, Room 222, 400 West Congress, Tucson,

1 Arizona, 85701 for the purpose of scheduling witnesses and the conduct of the hearing.

2 IT IS FURTHER ORDERED that **RUCO's request to intervene is granted.**

3 IT IS FURTHER ORDERED that any **direct testimony (except that related to rate design**  
4 **and cost of service)** and associated exhibits to be presented at hearing on behalf of **Staff** or  
5 **Intervenors** shall be reduced to writing and filed on or before **December 31, 2012.**

6 IT IS FURTHER ORDERED that any **direct testimony related rate design and cost of**  
7 **service** and associated exhibits to be presented at hearing on behalf of **Staff and Intervenors** shall be  
8 reduced to writing and filed on or before **January 7, 2013.**

9 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be  
10 presented at hearing by the **Company** shall be reduced to writing and filed on or before **January 28,**  
11 **2013.**

12 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be  
13 presented by the **Staff** and/or **intervenors** shall be reduced to writing and filed on or before **February**  
14 **19, 2013.**

15 IT IS FURTHER ORDERED that any **rejoinder testimony** and associated exhibits to be  
16 presented at the hearing by the **Company** shall be reduced to writing and filed on or before **March 3,**  
17 **2013.**

18 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have  
19 been prefiled as of March 3, 2013, shall be made on or before the Pre-Haring Conference.

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

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

25 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and  
26 regulations of the Commission, except that through March 1, 2013, any objection to discovery  
27  
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 **RIO RICO UTILITIES, INC.**  
**Docket No. WS-02676A-12-0196**

23 On May 31, 2012, Rio Rico Utilities, Inc. ("RRUI" or "Company") filed an  
24 application with the Arizona Corporation Commission ("Commission") for an increase  
25 in annual revenues for its water division of \$604,079, or 21.16 percent over test year  
26 revenues. Under the rates as proposed by the Company, a residential water service  
customer with a 5/8 x 3/4" meter, with an average monthly usage of 7,794 gallons,  
would expect to see a monthly increase of \$7.41, or 24.9 percent, from \$29.75 to

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

28 <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 \$37.16. A customer's bill depends on meter size and how much water is used each  
 2 month. A customer with a larger meter and/or using less or more than the average  
 would experience a smaller or larger increase.

3 RRUI also has requested an increase in annual revenues for its wastewater division of  
 4 \$393,612, or 28.93 percent over test year revenues. Under the rates requested by the  
 5 Company, a residential wastewater customer would see a monthly increase of \$14.13,  
 6 or 30.8 percent, from \$45.88 to \$60.01. The Company proposed rates that would  
 7 increase the monthly bill of a commercial customer with a 5/8 x 3/4 inch meter and  
 8 average monthly water consumption of 8,446 gallons, by \$15.25, or 28.9 percent, from  
 \$52.63 to \$67.88. Commercial wastewater rates depend in part on monthly water  
 usage, thus, commercial customers with a larger meter, or water consumptions higher  
 or lower than the average, would experience a higher or lower bill impact.

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

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

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

17 Copies of the application and proposed tariffs are available at the Company's offices  
 18 **[INSERT ADDRESS]** and at the Commission's Docket Control Center at 1200 West  
 19 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.

20 **Public Hearing Information**

21 The Commission will hold a **hearing** on this matter beginning **March 26, 2013, at**  
 22 **10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress, Tucson,  
 Arizona, 85701.

23 Public comments will be taken at the beginning of the hearing. Written public  
 24 comments may be submitted by mailing a letter referencing Docket No. WS-02676A-  
 25 12-0196 to Arizona Corporation Commission, Consumer Services Section, 1200 West  
 26 Washington, Phoenix, AZ 85007, or by email. For a form to use and instructions on  
 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.

27 **About Intervention**

28 The law provides for an open public hearing at which, under appropriate  
 circumstances, interested parties may intervene. Any person or entity entitled by law

1 to intervene and having a direct and substantial interest in the matter will be permitted  
2 to intervene. If you wish to intervene, you must file an original and 13 copies of a  
3 written motion to intervene with the Commission no later than **December 15, 2012**,  
4 and a copy of the motion to RRUI or its counsel and to all parties of record. Your  
5 motion must contain the following:

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

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

#### 25 ADA/Equal Access Information

26 The Commission does not discriminate on the basis of disability in admission to its  
27 public meetings. Persons with a disability may request a reasonable accommodation  
28 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  
SABernal@azcc.gov, voice phone number 602/542-3931. Requests should be made  
as early as possible to allow time to arrange the accommodation.

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

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

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

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

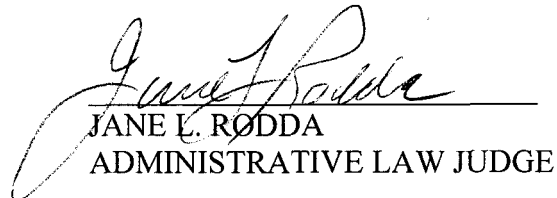
4 IT IS FURTHER ORDERED that all parties must comply with Rule 33 (c) and (d) of the  
5 Rules of the Arizona Supreme Court with respect to practice of law and admission pro hac vice.

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

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

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

16 DATED this 13<sup>th</sup> day of July, 2012.

17  
18  
19   
20 JANE L. RODDA  
ADMINISTRATIVE LAW JUDGE

21 Copies of the foregoing mailed  
this 13 day of July, 2012 to:

22 Jay Shapiro  
23 Fennemore Craig, PC  
24 3003 North Central Avenue  
25 Suite 2600  
Phoenix, Arizona 85012  
Attorneys for RRUI

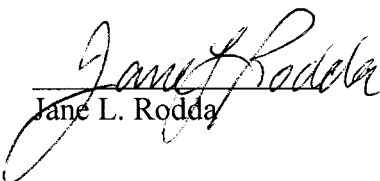
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10 Arizona Reporting Service, Inc.  
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Phoenix, Arizona 85004-1481  
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12  
13 By:   
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