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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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AZ CORP COMMISSION
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Arizona Corporation Commission

DOCKETED

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IN THE MATTER OF THE APPLICATION OF
CLEAR SPRINGS UTILITY COMPANY, INC.
FOR AUTHORITY TO INCUR LONG-TERM
DEBT.

DOCKET NO. WS-01689A-11-0401

IN THE MATTER OF THE APPLICATION OF
CLEAR SPRINGS UTILITY COMPANY, INC.
FOR A RATE INCREASE.

DOCKET NO. WS-01689A-11-0402

PROCEDURAL ORDER

BY THE COMMISSION:

On November 3, 2011, Clear Springs Utility Company, Inc. ("Clear Springs" or "Company") filed with the Arizona Corporation Commission ("Commission"), an application for authority to incur long-term debt ("Finance Application").

On November 3, 2011, the Company also filed with the Commission an application for a rate increase ("Rate Application").

On January 30, 2012, Commission's Utilities Division Staff ("Staff") issued a Sufficiency Letter deeming the Rate Application sufficient under the Arizona Administrative Code. The letter also indicated that the Company had been classified as a Class C utility; as such, a Procedural Order was filed on February 13, 2012, setting the matter for hearing on August 6, 2012.

On June 1, 2012, Staff filed a Motion to Consolidate seeking consolidation of the Finance Application docket and the Rate Application docket. Staff's Motion was granted in a Procedural Order filed June 5, 2012.

On June 13, 2012, Staff filed a Notice of Filing Direct Testimony and Request to Proceed Without a Hearing. Although the Company had been classified as a Class C utility in the January 30, 2012, Sufficiency Letter, Staff stated in this Request that, on a stand-alone basis, Clear Springs' water division is a Class D utility and its wastewater division is a Class E utility. Staff noted that rate

1 applications for Class D and Class E utilities are usually processed without a hearing and requested
2 that these consolidated matters be processed without a hearing. Staff asserted that foregoing the
3 hearing is in the public interest because it will promote judicial economy and allow the Company to
4 avoid the time and expense of a hearing and asked that the August 6, 2012, hearing be vacated.

5 On July 11, 2012, Clear Springs filed its Response objecting to Staff's Request. The Company
6 stated that it is entitled to a hearing under due process. The Company also explained that it disagrees
7 with Staff's proposals in its direct testimony and a hearing is necessary to allow Clear Springs to
8 cross-examine Staff about its position.

9 Under these circumstances, Staff's Request should be denied.

10 IT IS THEREFORE ORDERED that Staff's Request to Proceed Without a Hearing is denied.

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

13 DATED this 19th day of July, 2012.

14 
15 BELINDA A. MARTIN
16 ADMINISTRATIVE LAW JUDGE

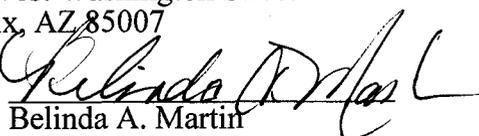
17 Copies of the foregoing mailed/delivered
18 this 19th day of July, 2012, to:

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By:


Belinda A. Martin