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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

- GARY PIERCE, Chairman
- BOB STUMP
- SANDRA D. KENNEDY
- PAUL NEWMAN
- BRENDA BURNS

2012 SEP -6 A 11: 06

Arizona Corporation Commission

DOCKETED

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

SEP 06 2012

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| DOCKETED BY | JM |
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IN THE MATTER OF THE APPLICATION OF GRAHAM COUNTY UTILITIES, INC. (GAS DIVISION) FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. G-02527A-12-0321

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On July 13, 2012, Graham County Utilities (Gas Division) ("GCU" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for an increase in rates for service provided in Arizona.

On August 10, 2012, GCU filed certain revised schedules in support of its application.

On August 13, 2012, GCU filed a minor correction to its August 10, 2012, filing.

On August 13, 2012, the Commission's Utilities Division ("Staff") filed its Letter of Sufficiency indicating that GCU satisfied the requirements of Arizona Administrative Code ("A.A.C.") R14-2-103 and classifying the Company as a Class B utility.

On August 30, 2012, Staff filed a Request for Procedural Schedule. Staff's proposed procedural schedule, which Staff states was agreed to by GCU, is as follows:

| | |
|---|-------------------|
| Staff/Intervenor Direct Testimony | February 8, 2013 |
| Staff/Intervenor Rate Design Testimony | February 22, 2013 |
| GCU's Rebuttal Testimony | March 8, 2013 |
| Staff/Intervenor Surrebuttal Testimony | March 22, 2013 |
| Pre-Hearing Conference | March 26, 2013 |
| GCU's Rejoinder Testimony (orally at hearing) | |
| Hearing Commences | March 28, 2013 |

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 is hereby

1 scheduled to commence on **April 1, 2013, at 10:00 a.m.**, at the Commission's Tucson offices, Room
2 222, 400 West Congress, Tucson, Arizona, 85701.

3 IT IS FURTHER ORDERED that a pre-hearing conference shall be held on **March 26, 2013,**
4 **at 10:00 a.m.**, at the Commission's Tucson offices, Room 222, 400 West Congress, Tucson, Arizona,
5 85701, for the purpose of scheduling witnesses and the conduct of the hearing.

6 IT IS FURTHER ORDERED that the **Staff Report and/or direct testimony** and associated
7 exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before
8 **February 8, 2013.**

9 IT IS FURTHER ORDERED that **direct testimony and associated exhibits to be presented**
10 **at hearing on behalf of intervenors** shall be reduced to writing and filed on or before **February 8,**
11 **2013.**

12 IT IS FURTHER ORDERED that **direct rate design testimony** and associated exhibits to be
13 presented at hearing on behalf of Staff or intervenors shall be reduced to writing and filed on or
14 before **February 22, 2013.**

15 IT IS FURTHER ORDERED that **rebuttal testimony and associated exhibits to be**
16 **presented at the hearing on behalf of GCU** shall be reduced to writing and filed on or before
17 **March 8, 2013.**

18 IT IS FURTHER ORDERED that **surrebuttal testimony and associated exhibits to be**
19 **presented by Staff or intervenors** shall be reduced to writing and filed on or before **March 22,**
20 **2013.**

21 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits to be**
22 **presented at the hearing on behalf of GCU** shall be presented orally at the hearing.

23 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m. on the date the**
24 **filing is due, unless otherwise indicated above.**

25 IT IS FURTHER ORDERED that **each party shall individually prepare, and bring to the**
26 **pre-hearing conference, copies of an issues matrix setting forth all disputed issues in the case.**
27 **Each party's matrix shall indicate the position of each party on each disputed issue and shall**
28

1 **indicate whether the disputed issue remains in dispute or has been resolved, in prefiled**
2 **testimony or otherwise.**

3 IT IS FURTHER ORDERED that **all testimony filed shall include a table of contents** which
4 lists the issues discussed.

5 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
6 prefiled testimony, with the exception of rejoinder testimony, shall be reduced to writing and filed no
7 later than five calendar days before the witness is scheduled to testify. Substantive corrections,
8 revisions, or supplements to prefiled rejoinder testimony shall be reduced to writing and presented on
9 the first day of hearing.

10 IT IS FURTHER ORDERED that the parties shall prepare a brief, written summary of the
11 prefiled testimony of each of their witnesses and **shall file each summary at least two working**
12 **days before the witness is scheduled to testify.**

13 IT IS FURTHER ORDERED that copies of summaries shall be served upon the
14 Administrative Law Judge, the Commissioners, and the Commissioners' aides as well as the parties
15 of record.

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

18 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
19 regulations of the Commission, except that until **March 8, 2013**, any objection to discovery requests
20 shall be made within 7 calendar days of receipt¹ and responses to discovery requests shall be made
21 within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made within
22 5 calendar days and responses shall be made within 7 calendar days. The response time may be
23 extended by mutual agreement of the parties involved if the request requires an extensive compilation
24 effort.

25 IT IS FURTHER ORDERED that for discovery requests, objections, and answers, if a
26 receiving party requests service to be made electronically, and the sending party has the technical

27 _____
28 ¹ The date of receipt of discovery requests is not counted as a calendar day, and requests received after 4:00 p.m. MST will be considered as received the next business day.

1 capability to provide service electronically, service to that party shall be made electronically.

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

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

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

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

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

19 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF GRAHAM COUNTY**
20 **UTILITIES (GAS DIVISION) FOR A PERMANENT BASE RATE INCREASE**
(DOCKET NO. G-02527A-12-0321)

21 **Summary**

22 On July 13, 2012, Graham County Utilities (Gas Division) ("GCU" or "Company")
23 filed an application with the Arizona Corporation Commission ("Commission") for a
24 permanent gross revenue increase of approximately \$224,132, or approximately 6.91
25 percent over current revenues, for the provision of gas service within the Company's
26 authorized service area in Arizona. For a residential customer with average monthly
usage of 36 therms, the increase would be \$5.12 (12.43 percent), from the current
amount of \$41.15 to \$46.27. For a commercial customer with average monthly usage
of 289 therms, the increase would be \$20.98 (8.43 percent), from the current amount
of \$248.86 to \$269.84. The rate impact on customers would vary based on customer
class and individual usage if GCU's proposal were to be adopted.

27 _____
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 The Commission's Utilities Division ("Staff") is in the process of auditing and
 2 analyzing the application, and has not yet made any recommendations regarding
 3 GCU's proposed rate increase. The Commission will determine the appropriate relief
 4 to be granted based on the evidence presented by the parties. **THE COMMISSION
 5 IS NOT BOUND BY THE PROPOSALS MADE BY GCU, STAFF, OR ANY
 6 INTERVENORS; THEREFORE, THE FINAL RATES APPROVED BY THE
 7 COMMISSION MAY DIFFER FROM THE RATES REQUESTED BY THE
 8 COMPANY OR OTHER PARTIES.**

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

10 Copies of the application and proposed rates are available from GCU [COMPANY
 11 INSERT HOW AND WHERE AVAILABLE] and at the Commission's Docket
 12 Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection
 13 during regular business hours and on the Internet via the Commission's website
 14 (www.azcc.gov) using the e-Docket function.

15 **Arizona Corporation Commission Public Hearing Information**

16 The Commission will hold a hearing on this matter beginning on **April 1, 2013, at
 17 10:00 a.m.**, at the Commission's Tucson Offices, Room 222, 400 West Congress,
 18 Tucson, Arizona, 85701. Public comments will be taken on the first day of the
 19 hearing. Written public comments may be submitted by mailing a letter referencing
 20 Docket No. G-02527A-12-0321 to Arizona Corporation Commission, Consumer
 21 Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a
 22 form to use and instructions on how to e-mail comments to the Commission, go to
 23 http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf. If you require
 24 assistance, you may contact the Consumer Services Section at 1-800-222-7000.

25 **About Intervention**

26 The law provides for an open public hearing at which, under appropriate
 27 circumstances, interested parties may intervene. Any person or entity entitled by law
 28 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 **December 3, 2012**, and
 send a copy of the motion to GCU or its counsel and to all parties of record. Your
 motion to intervene must contain the following:

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

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
 that **all motions to intervene must be filed on or before December 3, 2012**. If
 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
 Court, intervention will be conditioned upon the intervenor obtaining counsel to
 represent the intervenor. For information about requesting intervention, visit the
 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

1 evidence at hearing and to cross-examine other witnesses. However, failure to
2 intervene will not preclude any interested person or entity from appearing at the
3 hearing and providing public comment on the application or from filing written
4 comments in the record of the case.

3 **ADA/Equal Access Information**

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

10 IT IS FURTHER ORDERED that GCU shall mail to each of its customers a copy of the
11 above notice as a bill insert beginning no later than the first billing cycle in **October 2012**, and shall
12 cause a copy of such notice to be published at least once in a newspaper of general circulation in the
13 Company's service territory, with publication to be completed no later than **October 31, 2012**.

14 IT IS FURTHER ORDERED that **GCU shall file certification of mailing/publication** as
15 soon as possible after the mailing/publication has been completed, but **no later than November 30,**
16 **2012.**

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

19 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
20 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission
21 *pro hac vice*.

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

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.

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

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

6 DATED this 6th day of September, 2012.

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9 

10 DWIGHT D. NODES
11 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

12 Copies of the foregoing mailed/delivered
13 This 6th day of September, 2012 to:

14 John V. Wallace
15 GCSECA
16 2210 S. Priest Drive
17 Tempe, AZ 85282

18 Kirk Gray
19 GRAHAM COUNTY ELECTRIC
20 COOPERATIVE, INC.
21 P.O. Drawer B
22 Pima, AZ 85543

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

28 Steve Olea, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

ARIZONA REPORTING SERVICE, INC.
2200 North Central Avenue, Suite 502
Phoenix, AZ 85004

By: 
Debbi Person
Assistant to Dwight D. Nodes