

ORIGINAL



0000138831

BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

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

RECEIVED

Arizona Corporation Commission

DOCKETED

2012 AUG 30 P 1:21

AUG 30 2012

GROUP COMMISSIONER
DOCKET CONTROL

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF FAR WEST WATER AND SEWER, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS WASTEWATER RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE.

DOCKET NO. WS-03478A-12-0307

RATE CASE PROCEDURAL ORDER

BY THE COMMISSION:

On July 6, 2012, Far West Water & Sewer, Inc. ("Far West" or "Company") filed the above-captioned rate application with the Arizona Corporation Commission ("Commission").

On July 24, 2012, Spartan Homes & Construction, Inc. ("Spartan Homes") filed an Application for Leave to Intervene.

On July 31, 2012, Far West filed a Notice of Payment.

On July 31, 2012, Ray L. Jones filed revised schedule pages to his Direct Testimony.

On August 3, 2012, the Residential Utility Consumer Office ("RUCO") filed an Application to Intervene.

On August 2, 2012, Staff filed a Letter of Sufficiency indicating that Far West's application met the sufficiency requirements of A.A.C. R14-2-103, and classifying Far West as a Class A Utility.

On August 3, 2012, Far West filed a Response in Opposition to Spartan Homes' Application to Intervene.

On August 27, 2012, a Procedural Order was issued granting RUCO's Application to Intervene and denying Spartan Homes' Application for Leave to Intervene.

Pursuant to A.A.C. R14-3-101, the Commission now issues this procedural order to govern the preparation and conduct of this proceeding.

1 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter is hereby
2 scheduled to commence on **April 22, 2013**, commencing at **10:00 a.m.**, or as soon thereafter as
3 practicable, at the Commission's offices, 1200 West Washington Street, **Hearing Room No. 1**,
4 Phoenix, Arizona 85007.

5 IT IS FURTHER ORDERED that a pre-hearing conference shall be held on **April 17, 2013**,
6 commencing at **1:30 p.m.**, or as soon thereafter as practicable, at the Commission's offices, 1200
7 West Washington Street, **Hearing Room No. 1**, Phoenix, Arizona 85007, for the purpose of
8 scheduling witnesses and the conduct of the hearing.

9 IT IS FURTHER ORDERED that the **Staff Report and/or direct testimony, except rate**
10 **design testimony**, and associated exhibits to be presented at hearing on behalf of Staff shall be
11 reduced to writing and filed on or before **January 29, 2013**.

12 IT IS FURTHER ORDERED that **direct testimony, except rate design testimony, and**
13 **associated exhibits to be presented at hearing on behalf of intervenors** shall be reduced to writing
14 and filed on or before **January 29, 2013**.

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

18 IT IS FURTHER ORDERED that **rebuttal testimony and associated exhibits to be**
19 **presented at hearing by Far West** shall be reduced to writing and filed on or before **February**
20 **26, 2013**.

21 IT IS FURTHER ORDERED that **surrebuttal testimony and associated exhibits to be**
22 **presented by Staff and intervenors** shall be reduced to writing and filed on or before **on March 19,**
23 **2013**.

24 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits to be**
25 **presented at the hearing on behalf of Far West** shall be reduced to writing and filed no later
26 **than April 9, 2013**.

27
28

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

3 IT IS FURTHER ORDERED that **any objections to testimony or exhibits that have been**
4 **prefiled as of April 9, 2013, shall be made before or at the April 17, 2013, pre-hearing**
5 **conference.**

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

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

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

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

19 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
20 except that **all motions to intervene must be filed on or before December 28, 2012.**

21 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
22 regulations of the Commission, except that until **February 13, 2013**, any objection to discovery
23 requests shall be made within 7 calendar days of receipt¹ and responses to discovery requests shall be
24 made within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made
25 within 5 calendar days and responses shall be made within 7 calendar days. The response time may
26

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 be extended by mutual agreement of the parties involved if the request requires an extensive
2 compilation effort.

3 IT IS FURTHER ORDERED that for discovery requests, objections, and answers, if a
4 receiving party requests service to be made electronically, and the sending party has the technical
5 capability to provide service electronically, service to that party shall be made electronically.

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

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

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

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

20 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
21 this matter, in the following form and style with the heading in no less than 24-point bold type and
22 the body in no less than 10-point regular type:

23 ...
24 ...
25 ...

26

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.

PUBLIC NOTICE OF HEARING ON FAR WEST WATER AND SEWER COMPANY'S APPLICATION FOR A DETERMINATION OF THE FAIR VALUE OF ITS PROPERTY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RETURN THEREON AND TO APPROVE RATES DESIGNED TO DEVELOP SUCH RETURN (DOCKET NO. WS-03478A-12-0307)

On July 6, 2012, Far West Water & Sewer, Inc. ("Far West" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for gross revenue increase of approximately \$3,866,046, or approximately 173.52 percent over current revenues, for the provision of wastewater service within the Company's authorized service area in Arizona. According to the Company's filing, the rate impact of its request would increase a residential wastewater customer's bill from \$21.75 per month to \$62.65 per month, or 188.05%.

The Commission's Utilities Division ("Staff") is in the process of reviewing and analyzing the application and has not yet made a recommendation regarding Far West's request. The Commission will issue a Decision regarding Far West's application following consideration of testimony and evidence presented at an evidentiary hearing. **THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY FAR WEST, STAFF, OR ANY INTERVENORS, AND THE FINAL RATES APPROVED BY THE COMMISSION MAY DIFFER FROM THE RATES REQUESTED BY FAR WEST OR OTHER PARTIES.**

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

Copies of the application and the proposed rates and tariffs are available from Far West at its office, [Company insert address and phone number] and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function, located at the bottom of the web page.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **April 22, 2013, at 10:00 a.m.**, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing **Docket No. WS-03478A-12-0307** to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007. If you require assistance, you may contact the Consumer Services Section at 602.542.4251 or 1.800.222.7000.

Interested parties may participate in this matter through (1) filing for intervention and becoming a formal party to the proceeding; or (2) through written or oral public comment. Any interested person may file written public comments regarding the Company's application in **Docket No. WS-03478A-12-0307** at any time.

If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this docket. **However, all documents filed in this docket are available online** (usually within 24 hours after docketing) at the Commission's website www.azcc.gov using the e-Docket function, located at the bottom of the website homepage. RSS feeds are also available through e-Docket.

About Intervention

You do not need to intervene if you want to appear at the hearing and provide public comment on the application, or if you want to file written comments in the record of the case. Any interested person may file written public comments regarding the Company's application in **Docket No. WS-03478A-12-0307** at any time.

1 Any person or entity entitled by law to intervene and having a direct substantial interest in the matter
 2 will be permitted to intervene. The granting of intervention entitles a party to present sworn evidence
 3 at hearing and to cross-examine other witnesses. **If you wish to intervene, you must file an original
 4 and 13 copies of a written motion to intervene with the Commission's Docket Control Center
 no later than December 28, 2012, and send a copy of the motion to Arizona Telephone
 Company or its counsel and to all parties of record.**

5 Contact information for Far West Water & Sewer, Inc. and parties of record may be obtained using
 6 the Commission's e-Docket Function and Docket No. T-01063A-12-0302. Your motion to intervene
 must contain the following:

- 7 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;
- 8 2. A short statement of your interest in the proceeding (e.g., a customer of Far West Water &
 Sewer, Inc., a shareholder of Far West Water & Sewer, Inc., etc.); and
- 9 3. A statement certifying that you have mailed a copy of the motion to intervene to Far West
 10 Water & Sewer, Inc. or its counsel and to all parties of record in the case.

11 The granting of motions to intervene is governed by A.A.C. R14-3-105, except that all motions to
 12 intervene must be filed on or before December 28, 2012. For a sample intervention request form, go
 to <http://www.azcc.gov/divisions/utilities/FORMS/interven.pdf>. All parties must comply with
 13 Arizona Supreme Court Rules 31 and 38 and A.R.S. § 40-243 with respect to the practice of law.

14 **If you do intervene, and wish to present direct testimony and associated exhibits at the hearing,
 you must, on or before January 29, 2013: (1) reduce your direct testimony and associated
 15 exhibits to writing, (2) file the original and 13 copies with the Commission's Docket Control
 Center by 4:00 p.m., and (3) mail a copy to each party.**

16 **ADA/Equal Access Information**

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

20 IT IS FURTHER ORDERED that Far West shall mail to each of its customers a copy of the
 21 above notice as a bill insert beginning with the first available billing cycle, and shall cause a copy of
 22 such notice to be published at least once in a newspaper of general circulation in the Company's
 23 service territory, with publication to be completed no later than **November 30, 2012.**

24 IT IS FURTHER ORDERED that **Far West shall file certification of mailing/publication**
 25 as soon as possible after the mailing/publication has been completed, but **no later than December**
 26 **15, 2012.**

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

3 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
4 31, 38, and 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

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

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

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

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 30th day of August, 2012.

21 
22 _____
23 TEENA JIBILIAN
ADMINISTRATIVE LAW JUDGE

24 Copies of the foregoing mailed/delivered
25 this 30th day of August, 2012 to:

26 Craig A. Marks
27 CRAIG A. MARKS, PLC
16045 N. Tatum Blvd, Suite 200-676
28 Phoenix, AZ 85028
Attorney for Far West Water & Sewer Co.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Daniel Pozefsky
RUCO
1110 W. Washington St., Suite 220
Phoenix, AZ 85007

Janice Alward, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

Steven M. 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 85004-1481

By: 
Debbi Person
Assistant to Teena Jibilian