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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

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Arizona Corporation Commission
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IN THE MATTER OF THE APPLICATION OF
DIXIE ESCALANTE RURAL ELECTRIC
ASSOCIATION, INC. FOR A DETERMINATION
OF THE FAIR VALUE OF ITS PROPERTY AND
FOR AN ORDER SETTING JUST AND
REASONABLE RATES.

DOCKET NO. E-02044A-12-0419

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On September 25, 2012, Dixie Escalante Rural Electric Association, Inc. ("Dixie Escalante" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for a determination of the fair value of its property and for an order setting just and reasonable rates.

On October 19, 2012, Dixie Escalante filed several corrections to its application.

On October 19, 2012, the Commission's Utilities Division ("Staff") notified Dixie Escalante that its application was sufficient under the guidelines outlined in the Arizona Administrative Code R14-2-103, and classified the Company as Class B utility.

On November 2, 2012, Staff filed a Request for Procedural Schedule with proposed dates for filing testimony and conducting the hearing. Staff indicated that Dixie Escalante is in agreement with the proposed procedural schedule.

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 **June 17, 2013, at 10:00 a.m.**, at the Commission's offices, **1200 West Washington St., Hearing Room No. 1, Phoenix, Arizona 85007.**

IT IS FURTHER ORDERED that a **pre-hearing conference shall be held on June 14, 2013, at 10:00 a.m.**, at the Commission's Office, for the purpose of scheduling witnesses and the conduct

1 of the hearing.

2 IT IS FURTHER ORDERED that any **direct testimony, except rate design and cost of**
3 **service**, and associated exhibits to be presented at hearing on behalf of **Staff or intervenors** shall be
4 reduced to writing and filed on or before **April 23, 2013**.

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

8 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be
9 presented at hearing by the **Company** shall be reduced to writing and filed on or before **May 21,**
10 **2013**.

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

14 IT IS FURTHER ORDERED that any **rejoinder testimony** and associated exhibits to be
15 presented by the **Company** shall be presented orally at the hearing.

16 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have
17 been prefiled as of May 31, 2013, shall be made on or before the Pre-Hearing Conference.

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

21 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
22 105, except that all motions to intervene must be filed **on or before February 1, 2013**.

23 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
24 regulations of the Commission, except that through **May 17, 2013**, any objection to discovery
25 requests shall be made within 7 days¹ of receipt and responses to discovery requests shall be made
26 within 10 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and
27

28 ¹ "Days" means calendar days.

1 responses shall be made in 7 days;¹ the response time may be extended by mutual agreement of the
2 parties involved if the request requires an extensive compilation effort.

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

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

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

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

15 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
16 this matter, in the following type size, form and style with the heading in no less than 14 point bold
17 type and the body in no less than 10-point regular type:

18 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF DIXIE**
19 **ESCALANTE RURAL ELECTRIC ASSOCIATION, INC. FOR A**
20 **DETERMINATION OF THE FAIR VALUE OF ITS PROPERTY AND**
FOR AN ORDER SETTING JUST AND REASONABLE RATES
Docket No. E-02044A-12-0419

21 On September 25, 2012, Dixie Escalante Rural Electric Association, Inc. ("Dixie
22 Escalante" or "Company") filed an application with the Arizona Corporation
23 Commission ("Commission") for a permanent gross revenue increase of
24 approximately \$193,315, or approximately 10.17 percent over current revenues, for
25 the provision of electric service provided to its customers in Arizona. For a residential
26 customer with monthly usage of 1,000 kWh (average residential usage was 953 kWh
27 per month during the test year), the increase would be \$4.50 (7.32 percent), from the
current amount of \$61.50 to \$66.00. For small commercial customers with monthly
usage of 5,000 kWh (average small commercial usage was 5,005 kWh per month
during the test year), the increase would be \$29.40 (11.24 percent), from the current

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 amount of \$261.60 to \$291.00. The rate impact on customers would vary based on
2 customer class and individual usage if Dixie Escalante's proposal were to be adopted.

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

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

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

11 Copies of the application and proposed tariffs are available at the Company's offices
12 **[INSERT ADDRESS]** and at the Commission's Docket Control Center at 1200 West
13 Washington, Phoenix, Arizona and on the internet via the Commission website
(www.azcc.gov) using the e-docket function.

14 **Public Hearing Information**

15 The Commission will hold a **hearing** on this matter beginning **June 13, 2013, at
10:00 a.m.**, at the Commission's offices, 1200 West Washington St., Phoenix,
16 Arizona 85007.

17 Public comments will be taken at the beginning of the hearing. Written public
18 comments may be submitted by mailing a letter referencing Docket No. E-02044A-12-
19 0419 to Arizona Corporation Commission, Consumer Services Section, 1200 West
20 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.

21 **About Intervention**

22 The law provides for an open public hearing at which, under appropriate
23 circumstances, interested parties may intervene. Any person or entity entitled by law
24 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 **February 1, 2013**, and
a copy of the motion to Dixie Escalante or its counsel and to all parties of record.
Your motion must contain the following:

- 25 1. Your name, address, and telephone number and the name, address and
26 telephone number of any party upon whom service of documents is to
be made, if not yourself.
- 27 2. A short statement of your interest in the proceeding (e.g., a customer of
28 the Company, etc.).

1 3. A statement certifying that you have mailed a copy of the motion to
2 intervene to the Company or its counsel and to all parties of record in
the case.

3 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
4 that all motions to intervene must be filed on or before February 1, 2013. If
5 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
6 Court, intervention will be conditioned upon the intervenor obtaining counsel to
7 represent the intervenor. For information about requesting intervention, visit the
8 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
evidence at the hearing and to cross-examine other witnesses. However, failure to
intervene will not preclude any interested person or entity from appearing at the
hearing and providing public comment on the application or from filing written
comments in the record of the case.

9 **ADA/Equal Access Information**

10 The Commission does not discriminate on the basis of disability in admission to its
11 public meetings. Persons with a disability may request a reasonable accommodation
12 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
13 SABernal@azcc.gov, voice phone number 602/542-3931. Requests should be made
as early as possible to allow time to arrange the accommodation.

14 IT IS FURTHER ORDERED that the Company shall **mail** to each of its customers a copy of
15 the above notice by **the first billing cycle in December 2012**, and shall cause the above notice to be
16 published at least once in a newspaper of local circulation in its service territory, with **publication** to
be completed no later than **December 31, 2012**.

17 IT IS FURTHER ORDERED that the Company shall file certifications of mailing and
18 publication as soon as practicable after they have been completed, but no later than January 31, 2013.

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

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

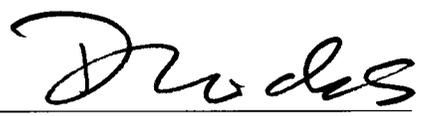
25 IT IS FURTHER ORDERED that all parties must comply with Rule 33 (c) and (d) of the
26 Rules of the Arizona Supreme Court with respect to practice of law and admission pro hac vice.
27
28

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

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

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

12 DATED this 5th day of November, 2012.



DWIGHT D. NODES
ASSISTANT CHIEFADMINISTRATIVE LAW JUDGE

17 Copies of the foregoing mailed
18 this 5th day of November, 2012 to:

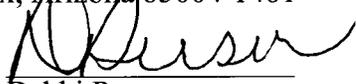
19 John Wallace
20 GRAND CANYON STATE ELECTRIC
21 COOPERATIVE ASSN., INC.
22 2210 S. Priest Dr.
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Consultant for Dixie Escalante Rural
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23 LaDel Laub
24 DIXIE ESCALANTE RURAL
25 ASSOCIATION, INC.
26 71 East Highway 56
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ARIZONA REPORTING SERVICE, INC.
2200 N. Central Avenue, Suite 502
Phoenix, Arizona 85004-1481

27 By: 
28 Debbi Person
Assistant to Dwight D. Nodes