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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF
UNS ELECTRIC, INC., FOR THE
ESTABLISHMENT OF JUST AND REASONABLE
RATES AND CHARGES DESIGNED TO
REALIZE A REASONABLE RATE OF RETURN
ON THE FAIR VALUE OF THE PROPERTIES OF
UNS ELECTRIC, INC. DEVOTED TO ITS
OPERATIONS THROUGHOUT THE STATE OF
ARIZONA AND FOR RELATED APPROVALS.

DOCKET NO. E-04204A-12-0504

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On December 31, 2012, UNS Electric, Inc. ("UNSE" or "Company") filed the above-captioned rate application with the Arizona Corporation Commission ("Commission").

On January 2, 2013, the Residential Utility Consumer Office ("RUCO") filed an Application to Intervene.

On January 30, 2013, the Commission's Utilities Division ("Staff") filed a Letter of Sufficiency indicating that UNSE's application met the sufficiency requirements of A.A.C. R14-2-103, and classifying UNSE as a Class A Utility.

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 scheduled to commence on **September 30, 2013, at 10:00 a.m.**, at the Commission's offices, 1200 West Washington Street, **Hearing Room No. 1**, Phoenix, Arizona 85007.

IT IS FURTHER ORDERED that a **pre-hearing conference shall be held on September 27, 2013, at 1:30 p.m.**, at the Commission's offices, 1200 West Washington Street, **Hearing Room No. 1**, Phoenix, Arizona 85007, for the purpose of scheduling witnesses and the conduct of the

1 hearing.

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

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

8 IT IS FURTHER ORDERED that **rate design direct testimony and associated exhibits to**
9 **be presented at hearing on behalf of Staff and intervenors** shall be reduced to writing and filed on
10 or before **August 5, 2013**.

11 IT IS FURTHER ORDERED that **rebuttal testimony and associated exhibits to be**
12 **presented at hearing by UNSE** shall be reduced to writing and filed on or before **September 6,**
13 **2013**.

14 IT IS FURTHER ORDERED that **surrebuttal testimony and associated exhibits to be**
15 **presented by Staff and intervenors** shall be reduced to writing and filed on or before **September**
16 **18, 2013**.

17 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits to be**
18 **presented at the hearing on behalf of UNS Electric** shall be reduced to writing and filed no later
19 than **September 25, 2013**.

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

22 IT IS FURTHER ORDERED that any **objections to testimony or exhibits that have been**
23 **pre-filed as of September 25, 2013, shall be made before or at the September 27, 2013, pre-**
24 **hearing conference.**

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

27 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
28 prefiled testimony, with the exception of rejoinder testimony, shall be reduced to writing and filed no

1 later than five calendar days before the witness is scheduled to testify. Substantive corrections,
2 revisions, or supplements to prefiled rejoinder testimony shall be reduced to writing and presented on
3 the first day of hearing.

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

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

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

12 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
13 regulations of the Commission, except that until **August 16, 2013**, any objection to discovery
14 requests shall be made within 7 calendar days of receipt¹ and responses to discovery requests shall be
15 made within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made
16 within 5 calendar days and responses shall be made within 7 calendar days. The response time may
17 be extended by mutual agreement of the parties involved if the request requires an extensive
18 compilation effort.

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

22 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
23 discovery, any party seeking resolution of a discovery dispute may telephonically contact the
24 Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery
25 dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and
26 that the party making such a request shall forthwith contact all other parties to advise them of the

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 hearing date and shall at the hearing provide a statement confirming that the other parties were
2 contacted.²

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

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

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

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

13
14 **PUBLIC NOTICE OF HEARING ON UNS ELECTRIC INC.'S APPLICATION**
15 **FOR A DETERMINATION OF THE FAIR VALUE OF ITS PROPERTY FOR**
16 **RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RETURN**
17 **THEREON AND TO APPROVE RATES DESIGNED TO DEVELOP SUCH**
18 **RETURN**

19 **(DOCKET NO. E-04204A-12-0504)**

20 On December 31, 2012, UNS Electric Inc. ("UNSE" or "Company") filed with the Arizona
21 Corporation Commission ("Commission") an application for gross revenue increase in its non-fuel
22 base rates of approximately \$7.5 million, or approximately 4.6 percent over the Company's adjusted
23 test year retail revenues, for the provision of electric service within UNSE's authorized service area in
24 Arizona. According to the Company's filing, the rate impact of its request would increase a
25 residential electric customer's bill with 1,000 kWh usage in the summer and 700 kWh usage in the
26 winter, from \$82.51 per month to \$86.15 per month, or 4.4 percent. UNSE is also seeking to
27 implement a lost fixed cost recovery mechanism, which would enable the Company to recover non-
28 fuel costs that would not otherwise be recovered due to compliance with the Commission's REST and
EE rules.

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

36
37
38 ² The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before
seeking Commission resolution of the controversy.

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

1 Copies of the application and the proposed rates and tariffs are available from UNSE at its office,
2 [Company insert address and phone number] and at the Commission's Docket Control Center at
3 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

4 The Commission will hold a hearing on this matter beginning **September 30, 2013 at 10:00 a.m.**, at
5 the Commission's offices, 1200 West Washington Street, Phoenix, Arizona. Public comments will
6 be taken on the first day of the hearing. Written public comments may be submitted by mailing a
letter referencing **Docket No. E-04204A-12-0504** to: Arizona Corporation Commission, Consumer
7 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.

8 Interested parties may participate in this matter through (1) filing for intervention and becoming a
9 formal party to the proceeding; or (2) through written or oral public comment. Any interested person
10 may file written public comments regarding the Company's application in **Docket No. E-04204A-12-
0504** at any time.

11 If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this
12 docket. **However, all documents filed in this docket are available online** (usually within 24 hours
13 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

14 You do not need to intervene if you want to appear at the hearing and provide public comment on the
15 application, or if you want to file written comments in the record of the case. Any interested person
16 may file written public comments regarding the Company's application in **Docket No. E-04204A-12-
0504** at any time.

17 Any person or entity entitled by law to intervene and having a direct substantial interest in the matter
18 will be permitted to intervene. The granting of intervention entitles a party to present sworn evidence
19 at hearing and to cross-examine other witnesses. **If you wish to intervene, you must file an original
20 and 13 copies of a written motion to intervene with the Commission's Docket Control Center
no later than June 3, 2013, and send a copy of the motion to UNSE or its counsel and to all
21 parties of record.**

22 Contact information for UNSE and parties of record may be obtained using the Commission's e-
Docket Function and Docket No. E-04204A-12-0504. Your motion to intervene must contain the
23 following:

- 24 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;
- 25 2. A short statement of your interest in the proceeding (e.g., a customer of UNS Electric a
shareholder of UNS Electric, etc.); and
- 26 3. A statement certifying that you have mailed a copy of the motion to intervene to UNS Electric
or its counsel and to all parties of record in the case.

27 The granting of motions to intervene is governed by A.A.C. R14-3-105, except that **all motions to**
28 **intervene must be filed on or before June 3, 2013.** For a sample intervention request form, go to

1 <http://www.azcc.gov/divisions/utilities/FORMS/interven.pdf>. All parties must comply with Arizona
Supreme Court Rules 31 and 38 and A.R.S. § 40-243 with respect to the practice of law.

2 **If you do intervene, and wish to present direct testimony and associated exhibits at the hearing,**
3 **you must, on or before July 29, 2013: (1) reduce your direct testimony and associated exhibits**
4 **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.

5 **ADA/Equal Access Information**

6 The Commission does not discriminate on the basis of disability in admission to its public meetings.
7 Persons with a disability may request a reasonable accommodation such as a sign language
8 interpreter, as well as request this document in an alternative format, by contacting the ADA
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.

9 IT IS FURTHER ORDERED that UNSE shall mail to each of its customers a copy of the
10 above notice as a bill insert beginning no later than the first billing cycle in April 2013, and shall
11 cause a copy of such notice to be published at least once in a newspaper of general circulation in the
12 Company's service territory, with publication to be completed no later than May 1, 2013.

13 IT IS FURTHER ORDERED that UNSE shall file certification of mailing/publication as
14 soon as possible after the mailing/publication has been completed, but no later than May 15, 2013.

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

17 IT IS FURTHER ORDERED that RUCO is hereby granted intervention.

18 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
19 31, 38, and 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

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

26 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
27 Communications) applies to this proceeding and shall remain in effect until the Commission's
28

1 Decision in this matter is final and non-appealable.

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

5 DATED this 7th day of February, 2013.

7 

8 DWIGHT D. NODES
9 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

10 Copies of the foregoing mailed/delivered
11 this 7th day of August, 2012 to:

12 Bradley S. Carroll
13 UNS ELECTRIC, INC.
14 88 E. Broadway Blvd., MS HQE910
15 P.O. Box 71
16 Tucson, AZ 85702


17 Michael W. Patten
18 Jason D. Gellman
19 ROSHKA, DEWULF & PATTEN, PLC
20 One Arizona Center
21 400 E. Van Buren, Suite 800
22 Phoenix, AZ 85004
23 Attorneys for UNS Electric, Inc.

24 Daniel Pozefsky
25 RUCO
26 1110 W. Washington St., Suite 220
27 Phoenix, AZ 85007

28 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 Dwight D. Nodes