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BEFORE THE ARIZONA CORPORATIO

COMMISSIONERS

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

2013 APR -8 A 10:00

AZ CORP COMMISSION DOCKET CONTROL

Arizona Corporation Commission

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APR - 8 2013

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IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR ADJUSTMENTS TO ITS RATES AND CHARGES FOR UTILITY SERVICE FURNISHED BY ITS NORTHERN GROUP AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01445A-12-0348

PROCEDURAL ORDER

BY THE COMMISSION:

On August 1, 2012, Arizona Water Company ("AWC") filed with the Arizona Corporation Commission ("Commission") an application requesting adjustments to its rates and charges for utility service provided by its Northern Group water systems, including its Navajo (Lakeside and Overgaard) and Verde Valley (Sedona, Pinewood, and Rimrock) water systems. AWC's rate application uses a test year ending December 31, 2011, and requests an overall revenue increase; extension of arsenic cost recovery mechanism ("ACRM") authorization to the Navajo water systems; full rate consolidation of the Sedona system with the other Verde Valley systems; authorization to implement a Distribution System Improvement Charge ("DSIC") for the Northern Group systems; and authorization to implement Off-Site Facilities Fees for new service connections to the Sedona water system.

On August 30, 2012, the Commission's Utilities Division ("Staff") issued a Letter of Sufficiency for the application. Since that time, the Residential Utility Consumer Office ("RUCO") has requested and been granted intervention, a procedural conference has been held, and the procedural schedule for this matter has been established and twice modified.

The current procedural schedule is as follows:

Event/Item	Date/s
Staff/Intervenor Direct—revenue req. & cost of capital	March 1, 2013
Staff/Intervenor Direct—cost of service & rate design	March 5, 2013
Settlement Agreement (“SA”) filed	April 5, 2013
If SA by April 5, Testimony to Support/Oppose SA	April 12, 2013
If no SA by April 5, AWC Rebuttal	April 12, 2013
If no SA by April 5, Staff/Intervenor Surrebuttal	April 26, 2013
If no SA by April 5, AWC Rejoinder	May 9, 2013
Pre-Hearing Conference	May 10, 2013
Hearing	May 13-17 & 20-24, 2013

On April 4, 2013, AWC filed Parties’ Request for Modification of Procedural Schedule, requesting on behalf of itself, Staff, and RUCO that the procedural schedule be modified again to accommodate certain of the parties’ having reached conceptual settlement, although the Settlement Agreement itself has not yet been completed. Specifically, the parties request that the filing deadlines for the Settlement Agreement and for the Testimony Supporting or Opposing the Settlement Agreement be extended by one week. The parties also request that a date for any responsive testimony be set and that AWC’s Rebuttal Testimony deadline be suspended pending conclusion and submission of the Settlement Agreement. The parties assert that the brief extensions of filing deadlines should not affect the remaining procedural dates already established.

In light of the parties’ agreement to the proposed modifications, and because it appears that the proposed modifications should not result in delaying the hearing set in this matter, it is reasonable and appropriate to modify the procedural schedule consistent with the parties’ request.

IT IS THEREFORE ORDERED that the procedural schedule for this matter is hereby modified as follows:

Event/Item	Existing	New (as applic.)
Staff/Intervenor Direct—revenue req. & cost of capital	March 1, 2013	
Staff/Intervenor Direct—cost of service & rate design	March 5, 2013	
Settlement Agreement (“SA”) filed	April 5, 2013	April 12, 2013
If SA, Testimony to Support/Oppose SA	April 12, 2013	April 19, 2013
If SA, Responsive Testimony (if any)	N/A	April 26, 2013
If no SA, AWC Rebuttal	April 12, 2013	Suspended*
If no SA, Staff/Intervenor Surrebuttal	April 26, 2013	Suspended*
If no SA, AWC Rejoinder	May 9, 2013	Suspended*

1	Pre-Hearing Conference	May 10, 2013	
2	Hearing	May 13-17 & 20-24, 2013	
3	*The suspended dates will be revisited, and the hearing may be rescheduled, if the parties fail to file an executed Settlement Agreement by April 12, 2013.		

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5 IT IS FURTHER ORDERED that the other provisions of the Procedural Orders of September
6 19, 2012, and February 14, 2013, remain in effect.

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

10 DATED this 8th day of April, 2013.

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14 SARAH N. HARPRING
ADMINISTRATIVE LAW JUDGE

15 Copies of the foregoing mailed/delivered
16 this 8th day of April, 2013, to:

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