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BEFORE THE ARIZONA CORPORATI

COMMISSIONERS

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Arizona Corporation Commission

BOB STUMP - Chairman  
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AZ CORP COMMISSION  
DOCKET CONTROL

JUN 05 2013

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF GRANITE MOUNTAIN WATER COMPANY, INC. FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02467A-09-0333

IN THE MATTER OF THE APPLICATION OF GRANITE MOUNTAIN WATER COMPANY, INC. FOR APPROVAL OF FINANCINGS.

DOCKET NO. W-02467A-09-0334

IN THE MATTER OF THE APPLICATION OF GRANITE MOUNTAIN WATER COMPANY, INC. FOR AUTHORITY TO INCUR LONG-TERM DEBT.

DOCKET NO. W-02467A-10-0483

PROCEDURAL ORDER

BY THE COMMISSION:

This case concerns requests made by Granite Mountain Water Company, Inc. ("GMWC") for modification of two different Commission decisions: Decision No. 72294 (May 4, 2011) and Decision No. 72377 (May 27, 2011). Decision No. 72294 extended compliance deadlines established in Decision No. 71869 (September 1, 2010).<sup>1</sup> Decision No. 72377 authorized long-term debt for specific water system improvements. At the Open Meeting of November 8, 2012, the Commission opened an A.R.S. § 40-252 proceeding to consider GMWC's requests for modification and directed the Commission's Utilities Division ("Staff") to prepare a Staff Report.

Since that time, the dockets for Decision No. 72294 and 72377 have been consolidated, and

<sup>1</sup> Decision No. 71869, issued in Docket Nos. W-02467A-09-0333 and W-04267A-09-0334 ("rate case docket"), established GMWC's current rates and charges and, *inter alia*, ordered the following:

Granite Mountain Water Company, Inc. shall complete one of the following, within 18 months after the effective date of this decision, to address its inadequate storage capacity issue:

- a. Drill a replacement well to replace its existing Well No. 5 (ADWR #55-622083), or
- b. Construct and install a 110,000-gallon storage tank.

The Decision further ordered GMWC, for either option, to file an Approval to Construct ("ATC") within six months after the Decision (by March 1, 2011) and to file an Approval of Construction ("AOC") within 18 months after the Decision (by March 1, 2012). Per the Decision, replacement Well No. 5 had an expected production capacity of 65 GPM, and Staff supported GMWC's plan to drill replacement Well No. 5 and believed that replacement Well No. 5's anticipated 65 GPM capacity would allow GMWC adequately to serve its existing customers and 79 additional customers.

1 an initial Staff Report and Supplemental Staff Report have been filed. Additionally, GMWC has  
2 made responsive filings altering its requests.

3 On May 9, 2013, a Procedural Order was issued scheduling an evidentiary hearing to  
4 commence on June 10, 2013, and requiring the filing of direct testimony and responsive testimony by  
5 May 31, 2013, and June 7, 2013, respectively. The Procedural Order further required that the parties'  
6 direct testimony address, at a minimum, specified issues.

7 On May 30, 2013, the Commission's Utilities Division ("Staff") filed a Staff Request for  
8 Extension ("Request"), stating that GMWC had sent Staff counsel a letter summarizing various  
9 actions GMWC intended to take to be responsive to the May 9, 2013, Procedural Order and stating on  
10 behalf of GMWC that GMWC would like more time to take such actions. Staff attached to its  
11 Request a copy of the GMWC letter and stated that Staff has no objection to GMWC's request for  
12 additional time. In the attached GMWC letter, GMWC stated, *inter alia*, that "[a]n amended request  
13 to modify decisions based upon this letter will be prepared and filed with the exhibits as soon as we  
14 have the exhibits and prepared plans for the well and tank are approved by the engineer." In its  
15 Request, Staff asked for a delay in the filing of direct testimony, but did not specify the duration of  
16 the requested delay.

17 GMWC did not make a filing in response to Staff's Request.

18 On June 4, 2013, Staff filed a Modification to Procedural Schedule ("Modification Request"),  
19 stating that Staff had met with GMWC on May 31, 2013, and that GMWC had indicated that it  
20 needed at least an additional 60 days. Staff requested that the testimony filing deadlines be extended  
21 by at least 60 days and that the date for hearing likewise be extended by at least 60 days.

22 Because GMWC needs additional time to address regulatory issues with other agencies and to  
23 file an Amended Request to Modify Decisions, and Staff has requested that the Commission provide  
24 GMWC such additional time, it is reasonable and appropriate to adjust the procedural schedule in this  
25 matter as requested. It is also reasonable and appropriate to modify the procedural requirements for  
26 this matter by establishing a deadline for GMWC to file its Amended Request to Modify Decisions,<sup>2</sup>

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28 <sup>2</sup> GMWC will be required, in its Amended Request to Modify Decision, to set forth clearly and completely GMWC's revised request and to include therewith all pertinent supporting documentation.

1 in lieu of requiring GMWC to file direct testimony; by establishing a deadline approximately one  
2 month later for Staff to file its direct testimony/Staff Report; and by requiring GMWC to file a  
3 response to Staff's direct testimony/Staff Report. If sufficient information is provided in the parties'  
4 filings, it may be appropriate to vacate the hearing scheduled in this matter, and both parties will also  
5 be required to address this in their respective filings.

6 IT IS THEREFORE ORDERED that the **evidentiary hearing** previously scheduled to  
7 commence in this matter on **June 10, 2013, at 10:00 a.m.**, is hereby **vacated**.

8 IT IS FURTHER ORDERED that an **evidentiary hearing** shall commence in this matter on  
9 **September 23, 2013, at 10:00 a.m.**, in Hearing Room No. 1 at the Commission's offices at 1200  
10 West Washington Street, Phoenix, Arizona 85007.

11 IT IS FURTHER ORDERED that GMWC shall, on or before **August 5, 2013**, file with the  
12 Commission's Docket Control an **Amended Request to Modify Decisions**, setting forth clearly and  
13 completely all of GMWC's requested revisions to Decision Nos. 72294, 72377, and 71869;  
14 addressing each of the questions posed to GMWC in the Procedural Order of May 9, 2013; and  
15 including copies of all pertinent supporting documentation available.

16 IT IS FURTHER ORDERED that Staff shall, on or before **September 5, 2013**, file a **Staff**  
17 **Report or direct testimony** providing Staff's analysis of GMWC's Amended Request to Modify  
18 Decisions, addressing each of the questions posed to Staff in the Procedural Order of May 9, 2013;  
19 including copies of all pertinent supporting documentation available; and providing Staff's  
20 recommendation and rationale for whether an evidentiary hearing should be held in this matter.

21 IT IS FURTHER ORDERED that GMWC shall, on or before **September 16, 2013**, file a  
22 **response** to the Staff Report/Staff's direct testimony, including any objections GMWC may have to  
23 Staff's analysis and/or recommendations and including GMWC's position and rationale as to whether  
24 an evidentiary hearing should be held in this matter.

25 IT IS FURTHER ORDERED that any motion that is filed in this matter and that is not ruled  
26 upon within 20 calendar days of the filing date of the motion shall be deemed denied.

27 IT IS FURTHER ORDERED that any response to a motion shall be filed within five calendar  
28 days of the filing date of the motion.

1 IT IS FURTHER ORDERED that any reply shall be filed within five calendar days of the  
2 filing date of the response.

3 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules  
4 31 and 38 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 Arizona  
7 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings  
8 and procedural conferences, as well as all Open Meetings for which the matter is scheduled for  
9 discussion, unless counsel has previously been granted permission to withdraw by the Administrative  
10 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 5<sup>th</sup> day of June, 2013.

20  
21  
22   
23 SARAH N. HARPRING  
ADMINISTRATIVE LAW JUDGE

24 Copies of the foregoing mailed/delivered/faxed/e-mailed  
25 this 5<sup>th</sup> day of June, 2013, to:

26 Paul D. Levie  
27 GRANITE MOUNTAIN WATER COMPANY, INC.  
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Attorney for Granite Mountain Water Company, Inc.

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