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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

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Arizona Corporation Commission
DOCKETED

JUN 17 2013

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IN THE MATTER OF THE APPLICATION OF
 CHAPARRAL CITY WATER COMPANY FOR A
 DETERMINATION OF THE CURRENT FAIR
 VALUE OF ITS UTILITY PLANT AND
 PROPERTY AND FOR INCREASE IN ITS RATES
 AND CHARGES BASED THEREON.

DOCKET NO. W-02113A-13-0118

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On April 26, 2013, Chaparral City Water Company ("CCWC" or "Company") filed the above-captioned rate application with the Arizona Corporation Commission ("Commission").

On May 2, 2013, CCWC filed a Notice of Errata.

On May 24, 2013, CCWC filed a letter to confirm its intention to support and adopt a Best Management Practices ("BMP") tariff to address meter repair and replacement.

On May 24, 2013, a Motion to Intervene, signed by the Town Manager of the Town of Fountain Hills ("Town"), was docketed.

On May 28, 2013, the Commission's Utilities Division ("Staff") filed a Letter of Sufficiency indicating that CCWC's application met the sufficiency requirements of A.A.C. R14-2-103, and classifying CCWC as a Class A Utility.

On June 10, 2013, the Residential Utility Office ("RUCO") filed an Application to Intervene.

There has been no objection filed to the Town's intervention. However, because the May 24, 2013 Motion to Intervene was not signed by an active member of the Arizona bar, intervention by the Town will be considered once either of the following is filed: (1) a Motion to Intervene signed by counsel representing the Town, or (2) a filing indicating that the Town has authorized lay representation in compliance with the requirements of Arizona Supreme Court Rule 31(d)(13), and has specifically authorized a named lay representative.

There has been no objection filed to RUCO's intervention request, and accordingly, RUCO

1 should be granted intervention.

2 This matter should be set for hearing, and a procedural schedule should be established.

3 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
4 commence on **February 17, 2014**, or as soon thereafter as is practicable, at the Commission's
5 offices, 1200 West Washington Street, **Hearing Room No. 1**, Phoenix, Arizona 85007.

6 IT IS FURTHER ORDERED that a pre-hearing conference shall be held on **February 13,**
7 **2014**, commencing at **2:00 p.m.**, or as soon thereafter as is practicable, at the Commission's offices,
8 1200 West Washington Street, **Hearing Room No. 1**, Phoenix, Arizona 85007, for the purpose of
9 scheduling witnesses and discussing the conduct of the hearing.

10 IT IS FURTHER ORDERED that **direct testimony, except rate design testimony**, and
11 associated exhibits to be presented at hearing on behalf of Staff and intervenors shall be reduced to
12 writing and filed on or before **November 25, 2013**.

13 IT IS FURTHER ORDERED that **rate design direct testimony** and associated exhibits to be
14 presented at hearing by Staff and intervenors shall be reduced to writing and filed on or before
15 **December 5, 2013**.

16 IT IS FURTHER ORDERED that **rebuttal testimony** and associated exhibits to be presented
17 at hearing by CCWC shall be reduced to writing and filed on or before **December 30, 2013**.

18 IT IS FURTHER ORDERED that **surrebuttal testimony** and associated exhibits to be
19 presented at hearing by **Staff and intervenors** shall be reduced to writing and filed on or before
20 **January 21, 2014**.

21 IT IS FURTHER ORDERED that any **rejoinder testimony** and associated exhibits to be
22 presented at hearing by CCWC shall be reduced to writing and filed on or before **February 11,**
23 **2014, at noon**.

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

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

1 IT IS FURTHER ORDERED that any **objections to prefiled testimony or exhibits** shall be
2 made before or at the **February 13, 2014**, pre-hearing conference.

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

8 IT IS FURTHER ORDERED that each party shall prepare a brief, written summary of the
9 prefiled testimony of each of its witnesses and **shall file each summary at least two working days**
10 **before the witness is scheduled to testify.**

11 IT IS FURTHER ORDERED that copies of the summaries shall be served upon the
12 Administrative Law Judge, the Commissioners, and the Commissioners' advisors as well as the
13 parties of record.

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

16 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
17 regulations of the Commission, except that until **December 19, 2013**, any objection to discovery
18 requests shall be made within 7 calendar days of receipt¹ and responses to discovery requests shall be
19 made within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made
20 within 5 calendar days and responses shall be made within 7 calendar days. The response time may
21 be extended by mutual agreement of the parties involved if the request requires an extensive
22 compilation effort.

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

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. Arizona time will be considered as received the next business day.

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

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

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

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

14 IT IS FURTHER ORDERED that CCWC shall provide public notice of the hearing in this
 15 matter, in the following form and style, with the heading in no less than 18-point bold type and the
 16 body in no less than 10-point regular type:

17 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF CHAPARRAL**
 18 **CITY WATER COMPANY FOR INCREASE IN ITS WATER UTILITY**
 19 **SERVICE RATES AND CHARGES**
 20 **(DOCKET NO. W-02113A-13-0118)**

21 On April 26, 2013, Chaparral City Water Company ("CCWC" or "Company") filed the
 22 above-captioned application with the Arizona Corporation Commission ("Commission") requesting
 23 a permanent revenue increase of approximately \$3.14 million, or 34.80 percent over current revenues.

24 According to the application, an average water usage residential customer's current monthly bill is
 25 \$37.85. That average monthly bill would increase by 34.80 percent, to \$51.02, under the Company's
 26 requested revenue increase. The actual percentage rate increase for individual customers would vary
 27 depending upon the type and quantity of service provided. You may contact the Company to
 28 determine what the effect of the Company's proposal would be on your individual bill, at [Company
 insert contact information here.]

The Commission's Utilities Division ("Staff") is in the process of reviewing and analyzing the
 application, and has not yet made a recommendation regarding CCWC's request. The Residential
 Utility Consumer Office has also intervened. The Commission will issue a Decision regarding

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

1 CCWC's application following consideration of testimony and evidence presented by all parties at an
2 evidentiary hearing. **THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY**
3 **CCWC, STAFF, OR ANY INTERVENORS, AND THE FINAL RATES APPROVED BY THE**
4 **COMMISSION MAY BE HIGHER OR LOWER THAN THE RATES PROPOSED BY**
5 **CCWC OR BY OTHER PARTIES.**

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

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

12 **Arizona Corporation Commission Public Hearing Information**

13 The Commission will hold a hearing on this matter beginning **February 17, 2014, at 10:00 a.m. in**
14 **Hearing Room No. 1**, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona,
15 85007.

16 An interested person may participate in this matter by (1) providing written or oral public comment;
17 or (2) filing for intervention and becoming a formal party to the proceeding.

18 **How to Make Public Comment**

19 Oral public comments will be taken on the first day of the hearing. Written public comments may be
20 submitted by mailing a letter referencing **Docket No. W-02113A-13-0118** to Arizona Corporation
21 Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007.

22 You may also file your written comments electronically by going to the following link:

23 <http://www.azcc.gov/Divisions/Utilities/forms/PublicCommentForm2013PDFEmail.pdf>

24 If you require assistance, you may contact the Commission's Consumer Services Section at 602-542-
25 4251 or 1-800-222-7000.

26 If you do not intervene, you will receive no further notice of the proceedings in this docket.
27 **However, all documents filed in this docket are available online** (usually within 24 hours after
28 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.

29 **About Intervention**

30 You do not need to intervene if you want to appear at the hearing and provide public comment on the
31 application, or if you want to file written comments in the record of the case.

32 Any person or entity entitled by law to intervene and having a direct and substantial interest in the
33 matter will be permitted to intervene. The granting of intervention entitles a party to present sworn
34 evidence at hearing and to cross-examine other parties' witnesses. **If you wish to intervene, you**
35 **must file an original and 13 copies of a written motion to intervene with the Commission's**
36 **Docket Control Center no later than November 1, 2013, and send a copy of the motion to**
37 **CCWC or its counsel and to all parties of record.** Contact information for CCWC and parties of
38 record may be obtained using the Commission's e-Docket Function and Docket No. W-02113A-13-
0118.

Your motion to intervene must contain the following:

- 1 1. Your name, address, and telephone number, and the name, address, and telephone number of
any person upon whom service of documents is to be made, if not yourself;
- 2 2. A short statement of your interest in the proceeding (e.g., a customer of CCWC, a shareholder
of CCWC, etc.); and
- 3 3. A statement certifying that you have mailed a copy of the motion to intervene to CCWC or its
counsel and to all parties of record in the case.

4
5 The granting of motions to intervene is governed by A.A.C. R14-3-105, except that all motions to
6 intervene must be filed on or before November 1, 2013. For a sample intervention request form, go
7 to <http://www.azcc.gov/divisions/utilities/FORMS/interven.pdf>. All parties must comply with
8 Arizona Supreme Court Rules 31 and 38 and A.R.S. § 40-243 with respect to the practice of law.

9 **If you do intervene, and wish to present direct testimony and associated exhibits at the hearing,**
10 **you must, on or before November 25, 2013: (1) reduce your direct testimony and associated**
11 **exhibits to writing, (2) file the original and 13 copies with the Commission's Docket Control**
12 **Center by 4:00 p.m., and (3) mail a copy to each party.**

13 **ADA/Equal Access Information**

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

19 IT IS FURTHER ORDERED that CCWC shall **mail** to each of its customers a copy of the
20 above notice, as a bill insert beginning with the first available billing cycle, and shall cause a copy of
21 such notice to be **published at least once in a newspaper** of general circulation in the Company's
22 service territory, with mailing and publication to be completed no later than **August 30, 2013**.

23 IT IS FURTHER ORDERED that CCWC shall **file certification of mailing and publication**
24 as soon as possible after the mailing and publication have been completed, but no later than
25 **September 16, 2013**.

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

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

IT IS FURTHER ORDERED that intervention by the Town will be considered once either of
the following is filed: (1) a Motion to Intervene signed by counsel representing the Town, or (2) a
filing indicating that the Town has authorized lay representation in compliance with the requirements
of Arizona Supreme Court Rule 31(d)(13), and has specifically authorized a named lay

1 representative.

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

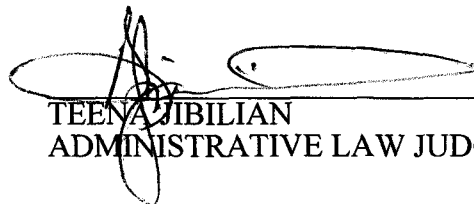
4 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
5 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona
6 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings
7 and procedural conferences,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

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

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

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

18 DATED this 17th day of June, 2013.

19
20
21 
22 TEENA JIBILIAN
ADMINISTRATIVE LAW JUDGE

23 Copies of the foregoing mailed/delivered
24 this 17 day of June, 2013 to:

25 Thomas H. Campbell
26 Michael T. Hallam
27 LEWIS & ROCA, LLP
40 N. Central Avenue
Phoenix, AZ 85004
28 Attorneys for Chaparral City Water Company

1 Daniel W. Pozefsky, Chief Counsel
RUCO
2 1110 W. Washington, Ste. 220
Phoenix, AZ 85007

3 Janice Alward, Chief Counsel
Robin Mitchell
4 Matthew Laudone
Legal Division
5 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
6 Phoenix, AZ 85007

7 Steven M. Olea, Director
Utilities Division
8 ARIZONA CORPORATION COMMISSION
1200 W. Washington St.
9 Phoenix, AZ 85007

10 ARIZONA REPORTING SERVICE, INC.
2200 N. Central Ave., Suite 502
11 Phoenix, AZ 85004-1481

12 Pending Intervention Request

13 Ken Buchanan, Town Manager
Town of Fountain Hills
14 16705 E. Avenue of the Fountains
Fountain Hills, AZ 85286

15
16 By: Rebecca Unquera
17 Rebecca Unquera
Assistant to Teena Jibilian

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