

ORIGINAL



0000147895

Arizona Corporation Commission

DOCKETED

SEP - 4 2013

DOCKETED BY	ne
-------------	----

1 BEFORE THE ARIZONA CORPORATION
 2 COMMISSIONERS RECEIVED

3 BOB STUMP - Chairman
 4 GARY PIERCE
 5 BRENDA BURNS
 6 BOB BURNS
 7 SUSAN BITTER SMITH

2013 SEP -4 P 1:57

AZ CORP COMMISSION
DOCKET CONTROL

8 IN THE MATTER OF THE APPLICATION OF
 9 TRUXTON CANYON WATER COMPANY, INC.
 10 FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02168A-11-0363

RATE CASE
PROCEDURAL ORDER

11 On September 30, 2011, Truxton Canyon Water Company, Inc. ("Truxton" or "Company")
 12 filed with the Arizona Corporation Commission ("Commission") an application for an increase in its
 13 water rates and charges, using a test year ("TY") ending June 30, 2011. Truxton's application
 14 requested authorization to increase its rates to generate an additional \$312,034 in gross revenues per
 15 year, resulting in a 97.24 percent increase over unaudited test year revenues. Truxton's application
 16 stated that the additional revenues would be obtained through having the Valle Vista Property Owner
 17 Association ("VVPOA") become a customer of Truxton.

18 On October 31, 2011, the Commission's Utilities Division ("Staff") issued a Letter of
 19 Sufficiency in this docket stating that Truxton's application had met the sufficiency requirements as
 20 outlined in A.A.C. R14-2-103 and that Truxton had been classified as a Class C utility.

21 On November 4, 2011, by Procedural Order, the rate case hearing was set to begin on May 7,
 22 2012, and other procedural deadlines were established.

23 On December 1, 2011, VVPOA filed a Motion to Intervene in this proceeding.

24 On December 12, 2011, Truxton filed a Notice of Filing Affidavit of Publication and
 25 Affidavit of Mailing, showing notice of the application had been published on November 25, 2011, in
 26 the *Kingman Daily Miner*, a newspaper of general circulation in Mohave County.

27 On January 3, 2012, by Procedural Order, VVPOA was granted intervention in this matter.

28 On January 31, 2012, Staff filed a Motion to Suspend Timeclock. In its Motion, Staff stated
 that the Company had not provided responses to either Staff's November 21, 2011, data request or its
 December 8, 2011, data request. Without the information contained in the responses to the data

1 requests, Staff stated it could not move forward with its analysis and/or preparation of Staff's direct
2 testimony, which was due in approximately six weeks. Staff requested a suspension of the timeclock
3 until the Company adequately responded to Staff's outstanding data requests.

4 On February 13, 2012, a Procedural Order was issued suspending the timeclock in this matter
5 and the May 7, 2012, hearing date was reserved for the taking of public comments only.
6 Additionally, Staff was directed to file a request to reinstate the timeclock and a request to reset the
7 procedural schedule, once Staff had received the Company's outstanding data responses.

8 On September 5, 2012, Staff filed a Request for Procedural Order. The request stated that
9 Staff was concerned with the lapse of time since the rate case was filed; Truxton still had not
10 responded to outstanding data requests; and that once the responses to data requests were received the
11 test year data would be stale and likely no longer representative of the Company's current financial
12 situation. Staff requested that the Commission order Truxton to update its application with revised
13 data reflecting a new test year using the twelve months ending June 30, 2012, and that the Company
14 be given until October 31, 2012, to provide the updated data.

15 On September 6, 2012, by Procedural Order, a procedural conference was scheduled to be
16 held on September 17, 2012, for the purpose of discussing Staff's request and for the Company to
17 provide an update on the status of its application.

18 On September 13, 2012, the Company filed a Motion to Reschedule Hearing or Alternatively
19 Permit Telephonic Appearance stating that neither Truxton's representative nor VVPOA's attorney
20 were available to attend the procedural conference scheduled for September 17, 2012. Truxton's
21 motion requested that the procedural conference be reset for the week of September 24, 2012.

22 On the same date, Truxton filed a Notice of Settlement Agreement and Request for Expedited
23 Approval ("Notice").

24 On September 14, 2012, by Procedural Order, the procedural conference scheduled for
25 September 17, 2012, was rescheduled for September 26, 2012, to discuss Staff's request.

26 ...

27 ...

28 ...

1 On September 26, 2012, a Procedural Conference was held as scheduled. Staff, Truxton and
2 VVPOA appeared through counsel. During the procedural conference the parties stated that Truxton
3 and Staff had reached an agreement, in which Truxton agreed that it would amend its rate application
4 using a 2012 TY.

5 On February 15, 2013, Truxton docketed an amended rate case application, using a TY ending
6 December 31, 2012, and requesting an increase in its rates to generate an additional \$300,000 in gross
7 revenues per year, over unaudited test year revenues.

8 On February 22, 2013, Truxton docketed updated rate case supporting documents.

9 On March 6, 2013, counsel for VVPOA, filed a Notice of Change of Firm Address.

10 On August 26, 2013, Staff filed a Request to Reinstate Timeclock and Reset Procedural
11 Schedule. Staff's request states that although Staff has not received every item requested, Staff has
12 received sufficient information to enable it to complete its direct testimony, and that it is likely that
13 all of the information Staff requires is available to Truxton. Further, Staff requests that the timeclock
14 in this matter be reinstated and that the procedural schedule be reset.

15 Notice of Truxton's rate case application was published in late 2011, and stated that Truxton's
16 proposed rate increase was based on data using a TY ending June 30, 2011. Due to the passage of
17 time, the changes in the rate case application's TY to December 31, 2012, and the amount requested
18 as a rate increase; it is appropriate to require Truxton to re-publish notice of its amended application
19 in this matter. Further, it is reasonable for Staff and the parties to make a joint filing, if possible,
20 setting forth a proposed schedule for the filing of testimony, proposed customer notice, and proposed
21 dates for a hearing in this matter. The joint filing shall take into consideration Truxton's requirement
22 to re-publish notice in this matter. If the parties are unable to reach an agreement regarding the
23 procedural schedule, notice, and hearing dates, they shall file separate proposals.

24 **IT IS THEREFORE ORDERED that Staff, Truxton, and VVPOA shall file, jointly or**
25 **individually on or before September 23, 2013, a proposed schedule for filing testimony, a proposed**
26 **customer notice, and proposed dates for a hearing in this matter.**

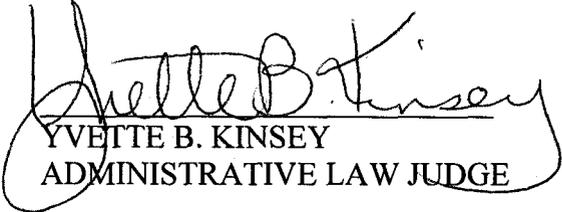
27 **IT IS FURTHER ORDERED that the timeclock in this matter remains suspended until further**
28 **notice.**

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 Arizona
3 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings
4 and procedural conferences, as well as all Open Meetings for which the matter is scheduled for
5 discussion, unless counsel has previously been granted permission to withdraw by the Administrative
6 Law Judge or the Commission.

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

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

13 DATED this 4th day of September, 2013.

14
15
16 
17 YVETTE B. KINSEY
18 ADMINISTRATIVE LAW JUDGE

19 Copies of the foregoing mailed
20 this 4th day of September, 2013 to:

21 Steve Wene
22 MOYES SELLERS & HENDRICKS LTD.
23 1850 North Central Avenue, Suite 1100
24 Phoenix, AZ 85004-4541
25 Attorneys for Truxton Canyon Water Co., Inc.

26 Todd C. Wiley
27 FENNEMORE CRAIG
28 3003 North Central Avenue, Suite 2600
Phoenix, AZ 85012-2913
Attorneys for Valle Vista Property Owners
Association, Inc.

Janice Alward, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Steven M. Olea, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

By: 
Tammy Velarde
Assistant to Yvette B. Kinsey