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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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AZ CORP COMMISSION
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COMMISSIONERS

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

DOCKET NO. SW-03437A-13-0292

IN THE MATTER OF THE APPLICATION OF VERDE SANTA FE WASTEWATER CO., INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WASTEWATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

PROCEDURAL ORDER

BY THE COMMISSION:

On August 30, 2013, Verde Santa Fe Wastewater Co., Inc. ("VSF" or "Company") filed with the Arizona Corporation Commission ("Commission") an application requesting an order establishing the fair value of its plant and property used to provide wastewater utility services and approving permanent rates and charges designed to produce a fair return thereon. VSF asserted that its current rates and charges, established in Decision No. 60779 (April 8, 1998), are inadequate to provide VSF a fair rate of return on the fair value of its plant and property devoted to public water utility service. VSF asserted that for its test year ending December 31, 2012 ("TY"), it had adjusted gross revenues of \$479,551, an adjusted operating loss of \$3,950, and a fair value rate base ("FVRB") of \$421,336, resulting in a rate of return of negative 0.94 percent. VSF requested an increase in revenues of \$65,213, or 13.60 percent, and asserted that this increase would result in a rate of return on its FVRB of 11.00 percent.

On September 5, 2013, VSF filed several corrected Schedule H pages.

On September 11, 2013, the Commission's Hearing Division received and docketed an anonymous comment concerning VSF's application.

On September 16, 2013, VSF filed a Notice of Errata correcting a statement on the first page of its application regarding VSF's ownership and correcting a Schedule H page.

1 On September 27, 2013, the Commission's Utilities Division ("Staff") issued a Letter of
 2 Sufficiency indicating that VSF's application had met the sufficiency requirements as outlined in the
 3 Arizona Administrative Code ("A.A.C.") R14-2-103 and that VSF had been classified as a Class C
 4 utility.

5 On October 10, 2013, a Rate Case Procedural Order was issued establishing a procedural
 6 schedule in this matter, including a pre-hearing conference to be held on March 26, 2014, and a
 7 hearing to commence on March 31, 2014, at 10:00 a.m. and to continue, if necessary, at 9:00 a.m. on
 8 April 1, 2014. The schedule also required VSF to provide public notice of the hearing through
 9 mailing and publication by November 15, 2013.

10 On November 5, 2013, VSF and Staff filed a Stipulated Request to Modify Procedural
 11 Schedule, requesting, due to scheduling conflicts, that the following changes be made to the case
 12 schedule:

Item	Current Date	Proposed Date
Staff/Intervenor Direct Testimony	February 10, 2014	February 24, 2014
Company Rebuttal Testimony	February 27, 2014	March 13, 2014
Discovery response time changes	February 27, 2014	March 13, 2014
Staff/Intervenor Surrebuttal Testimony	March 13, 2014	April 14, 2014
Company Rejoinder Testimony	March 21, 2014	April 24, 2014
Pre-hearing Conference	March 26, 2014	Earliest Possible
First Day of Hearing	March 31, 2014	Earliest Possible

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 19 VSF and Staff further stated that they are available any time in May 2014 other than May 9 through
 20 May 14. VSF did not provide any information regarding whether any public notice has been
 21 provided pursuant to the prior Procedural Order.

22 It is reasonable and appropriate to modify the procedural schedule as requested by the parties,
 23 and the pre-hearing conference and the April 1, 2014, hearing date can and will be vacated herein.
 24 Without any information regarding whether public notice of the March 31, 2014, hearing date has
 25 been provided, however, it is not yet possible to vacate that date. Rather, unless and until a filing is
 26 made indicating that no public notice of the March 31, 2014, hearing date has been provided, that
 27 hearing date will be retained for the purpose of public comment only. In addition, it is necessary to
 28 extend the timeframe for the Decision in this case to correspond with the extended hearing schedule.

1 IT IS THEREFORE ORDERED that the **schedule** established in the Rate Case Procedural
 2 Order of October 10, 2013, is **modified as follows**:

Item/Event	Previous Date	New Date
Public Notice by Mail & Publication	November 15, 2013	December 16, 2013
Certification of Notice	December 2, 2013	January 2, 2014
Motions to Intervene	December 20, 2013	January 21, 2014
Staff/Intervenor Direct Testimony	February 10, 2014	February 24, 2014
Company Rebuttal Testimony	February 27, 2014	March 13, 2014
Discovery response time changes	February 27, 2014	March 13, 2014
Staff/Intervenor Surrebuttal Testimony	March 13, 2014	April 14, 2014
Company Rejoinder Testimony	March 21, 2014	April 24, 2014
Pre-hearing Conference	March 26, 2014	April 29, 2014
First Day of Hearing	March 31, 2014	May 5, 2014
Hearing Continuation Date, if needed	April 1, 2014	May 6, 2014

12 IT IS FURTHER ORDERED that the **pre-hearing conference** scheduled for **March 26,**
 13 **2014**, and the **hearing** continuation date of **April 1, 2014**, are hereby **vacated**.

14 IT IS FURTHER ORDERED that the **hearing** scheduled to commence on **March 31, 2014,**
 15 **at 10:00 a.m.**, in Hearing Room No. 1 at the Commission's offices at 1200 West Washington St.,
 16 Phoenix, Arizona 85007, shall proceed only for the purpose of receiving **public comment**.

17 IT IS FURTHER ORDERED that VSF shall, by **November 22, 2013**, make a **filing**
 18 **explaining** whether and to what extent **public notice** of the March 31, 2014, hearing date has been
 19 provided.

20 IT IS FURTHER ORDERED that the **evidentiary hearing** for this matter shall commence on
 21 **May 5, 2014, at 10:00 a.m.** and continue, if necessary, on **May 6, 2014, at 9:00 a.m.**, in Hearing
 22 Room No. 1 at the Commission's offices in Phoenix.

23 IT IS FURTHER ORDERED that the **pre-hearing conference** for this matter shall
 24 commence on **April 29, 2014, at 1:00 p.m.** in Hearing Room No. 2 at the Commission's offices in
 25 Phoenix.

26 IT IS FURTHER ORDERED that VSF shall **modify the text of the public notice** set forth in
 27 the Rate Case Procedural Order of October 10, 2013, to **include the new dates** established herein,
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1 and shall ensure that such modified public notice is **mailed and published** in the format and manner
2 required, by **December 16, 2013**.

3 IT IS FURTHER ORDERED that the **remaining provisions** of the Rate Case Procedural
4 Order remain in effect, as **modified to include the new dates** set forth above.

5 IT IS FURTHER ORDERED that the **timeframe** for a Decision in this matter is hereby
6 **extended by 35 days**.

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 7th day of November, 2013.

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13 SARAH N. HARPRING
14 ADMINISTRATIVE LAW JUDGE

15 Copies of the foregoing mailed
16 this 7th day of November, 2013 to:

17 Jay L. Shapiro
18 FENNEMORE CRAIG, P.C.
19 2394 E. Camelback Road, Suite 600
20 Phoenix, AZ 85016
21 Attorneys for Verde Santa Fe Wastewater Co.,
22 Inc.

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

20 Janice Alward, Chief Counsel
21 Legal Division
22 ARIZONA CORPORATION COMMISSION
23 1200 West Washington Street
24 Phoenix, AZ 85007

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

24 By: Rebecca Unquera
25 Rebecca Unquera
26 Assistant to Sarah N. Harpring
27
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