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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

Arizona Corporation Commission

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- GARY PIERCE
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AZ CORP COMMISSION  
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IN THE MATTER OF THE APPLICATION OF PIMA UTILITY COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. W-02199A-11-0329

IN THE MATTER OF THE APPLICATION OF PIMA UTILITY COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS WASTEWATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. SW-02199A-11-0330

**PROCEDURAL ORDER**  
(Setting Procedural Conference)

BY THE COMMISSION:

On August 29, 2011, Pima Utility Company ("Pima" or "Company") filed with the Arizona Corporation Commission ("Commission") applications for rate increases in both its water and wastewater divisions.

The parties to these consolidated dockets are Pima, the Residential Utility Consumer Office ("RUCO"), and the Commission's Utilities Division ("Staff").

On July 16, 2013, the Commission issued Decision No. 73993. Decision No. 73993 increases the Company's rates to reflect recovery of income tax expense as requested by the Company, classifies the income taxes as an imputed expense, and requires the filing of a rate case by no later than June 30, 2017, using a calendar year 2016 test year.

RUCO requested rehearing of Decision No. 73993 pursuant to A.R.S. § 40-253, which the Commission granted on August 15, 2013. On September 11, 2013, the Commission also reopened Decision No. 73993 pursuant to A.R.S. § 40-252, in order to ensure that RUCO has an opportunity to address the matters raised in the rehearing application. The motion directed the Hearing Division to

1 conduct proceedings and hold evidentiary hearings in order to take evidence in accordance with the  
2 *Scates* opinion<sup>1</sup> and Arizona law.

3 On October 4, 2013, a procedural conference convened as scheduled to discuss the procedural  
4 schedule for the presentation of evidence in the rehearing proceeding in accordance with the *Scates*  
5 opinion and Arizona law. Pima, RUCO and Staff appeared through counsel. Pima and RUCO  
6 announced that they had reached a settlement in principle and requested 30 days in which to  
7 memorialize and file their settlement agreement.

8 On October 8, 2013, a Procedural Order was issued directing Pima and RUCO to jointly file a  
9 memorialization of their settlement agreement.

10 On November 8, 2013, Pima and RUCO jointly filed a Settlement Agreement.

11 A procedural conference should be held to allow the parties an opportunity to discuss an  
12 appropriate procedural schedule.

13 IT IS THEREFORE ORDERED that a **procedural conference** shall be held on **December 5,**  
14 **2013, at 1:00 p.m.,** at the Commission's offices, 1200 West Washington Street, Hearing Room No.  
15 1, Phoenix, Arizona.

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 19<sup>th</sup> day of November, 2013.

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21  
22   
TEEN JIBILIAN  
ADMINISTRATIVE LAW JUDGE

23 Copies of the foregoing mailed/delivered  
24 this 19<sup>th</sup> day of November, 2013 to:

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26 FENNEMORE CRAIG  
27 3003 N. Central Ave., Suite 2600  
28 Phoenix, AZ 85012  
Attorneys for Pima Utility Company

<sup>1</sup> *Scates v. Ariz. Corp. Comm'n*, 118 Ariz. 531, 578 P.2d 612 (Ariz. App. 1978).

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