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Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION
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COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF
MT. TIPTON WATER COMPANY, INC. FOR
A PERMANENT INCREASE IN ITS WATER
RATES AND CHARGES,

DOCKET NO. W-02105A-13-0415

RATE CASE PROCEDURAL
ORDER

BY THE COMMISSION:

On December 2, 2013, Mt. Tipton Water Company, Inc. ("Mt. Tipton") filed with the Arizona Corporation Commission ("Commission") an application for a permanent increase in its water rates and charges, using a test year ("TY") ending June 30, 2013. For the TY, Mt. Tipton reports adjusted total operating revenues of \$339,594 and operating income of \$52,726. Mt. Tipton requests authorization to increase its rates to generate an additional \$45,947 in metered water revenue per year, specifically by increasing its monthly usage charges and commodity rates other than for vending machine sales. Mt. Tipton also proposed to increase its service establishment charge and to implement a \$50 after hours service charge. Mt. Tipton's proposed rates are intended to generate an increase in total operating revenue of approximately 13.53 percent. The proposed rates would increase the monthly bill for an average residential customer (served by a 5/8" x 3/4" meter and using 3,657 gallons per month) from \$33.40 to \$38.79, an increase of \$5.39 per month, or approximately 16.14 percent.

On December 30, 2013, the Commission's Utilities Division Staff ("Staff") issued a Deficiency Letter.

On January 6, 2014, Staff issued a Sufficiency Letter stating that Mt. Tipton's application had met the sufficiency requirements outlined in Arizona Administrative Code ("A.A.C.") R14-2-103 and that Mt. Tipton had been classified as a Class C utility.

1 Pursuant to A.A.C. R14-2-103 and R14-3-101 et seq., the Commission now issues this
2 Procedural Order to govern the preparation and conduct of this proceeding.

3 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
4 commence on **June 23, 2014, at 10:00 a.m.**, or as soon thereafter as is practicable, at the
5 Commission's offices, Hearing Room #1, 1200 West Washington, Phoenix, Arizona 85007. If more
6 than one day of hearing is necessary, the hearing shall continue on **June 24, 2014, at 9:00 a.m.**, or as
7 soon thereafter as is practicable, in the same location.

8 IT IS FURTHER ORDERED that a **prehearing conference** shall be held on **June 19, 2014,**
9 **at 10:00 a.m.**, or as soon thereafter as is practicable, at the Commission's offices, Hearing Room #1,
10 1200 West Washington, Phoenix, Arizona 85007.

11 IT IS FURTHER ORDERED that the **Staff Report/direct testimony** and any associated
12 exhibits to be presented at hearing by Staff shall be reduced to writing and filed on or before **May 21,**
13 **2014.**

14 IT IS FURTHER ORDERED that the **direct testimony** and any associated exhibits to be
15 presented at hearing by an **intervenor** shall be reduced to writing and filed on or before **May 21,**
16 **2014.**

17 IT IS FURTHER ORDERED that the **rebuttal testimony** and any associated exhibits to be
18 presented at hearing by **Mt. Tipton** shall be reduced to writing and filed on or before **June 4, 2014.**

19 IT IS FURTHER ORDERED that the **surrebuttal testimony** and any associated exhibits to
20 be presented at hearing by **Staff or intervenors** shall be reduced to writing and filed on or before
21 **June 11, 2014.**

22 IT IS FURTHER ORDERED that the **rejoinder testimony** and any associated exhibits to be
23 presented at hearing by **Mt. Tipton** shall be reduced to writing and filed on or before **June 16, 2014.**

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

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

28 ...

1 IT IS FURTHER ORDERED that **each party shall individually prepare, and bring to the**
2 **pre-hearing conference, copies of an issues matrix** setting forth all disputed issues in the case.
3 Each party's matrix shall indicate the position of each party on each disputed issue and shall indicate
4 whether the disputed issue remains in dispute or has been resolved, in prefiled testimony or
5 otherwise.

6 IT IS FURTHER ORDERED that any **objections to pre-filed testimony or exhibits shall be**
7 **made before or at the June 19, 2014, prehearing conference.**

8 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
9 105, except that all motions to intervene must be filed on or before **April 1, 2014.**

10 IT IS FURTHER ORDERED that any **objections to intervention** shall be filed on or before
11 **April 8, 2014.**

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

17 IT IS FURTHER ORDERED that any motion filed in this matter, other than a motion to
18 intervene, that is not ruled upon by the Commission within 20 calendar days of the filing date of the
19 motion shall be deemed denied.

20 IT IS FURTHER ORDERED that any response to a motion, other than a motion to intervene,
21 shall be filed within five calendar days of the filing date of the motion.

22 IT IS FURTHER ORDERED that any reply related to a motion shall be filed within five
23 calendar days of the filing date of the response to the motion.

24 IT IS FURTHER ORDERED that **Mt. Tipton shall provide public notice** of the hearing in
25 this matter, in the following form and style, with the heading in no less than 12-point bold type and
26 the body in no less than 10-point regular type:

27 ...
28 ...

**PUBLIC NOTICE OF HEARING ON THE APPLICATION OF MT. TIPTON
WATER COMPANY, INC. FOR A PERMANENT INCREASE IN ITS WATER
RATES AND CHARGES.**
(Docket No. W-02105A-13-0415)

Summary

On December 2, 2013, Mt. Tipton Water Company, Inc. ("Mt. Tipton") filed with the Arizona Corporation Commission ("Commission") an application for a permanent increase in its water rates and charges, using a test year ("TY") ending June 30, 2013. For the TY, Mt. Tipton reports adjusted total operating revenues of \$339,594 and operating income of \$52,726. Mt. Tipton requests authorization to increase its rates to generate an additional \$45,947 in metered water revenue per year, specifically by increasing its monthly usage charges and commodity rates other than for vending machine sales. Mt. Tipton also proposed to increase its service establishment charge and to implement a \$50 after hours service charge. Mt. Tipton's proposed rates are intended to generate an increase in total operating revenue of approximately 13.53 percent. The proposed rates would increase the monthly bill for an average residential customer (served by a 5/8" x 3/4" meter and using 3,657 gallons per month) from \$33.40 to \$38.79, an increase of \$5.39 per month, or approximately 16.14 percent.

The Commission's Utilities Division ("Staff") is in the process of auditing and analyzing Mt. Tipton's records and has not yet made a recommendation regarding the rate application. The Commission will determine the appropriate relief to be granted based on the evidence of record in the proceeding. **THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY MT. TIPTON, STAFF, OR ANY INTERVENORS; THEREFORE, THE FINAL RATES APPROVED BY THE COMMISSION MAY DIFFER FROM AND MAY BE HIGHER OR LOWER THAN THE RATES REQUESTED BY MT. TIPTON OR RECOMMENDED BY OTHER PARTIES.**

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

Copies of the application and proposed rates are available at Mt. Tipton's offices [COMPANY INSERT ADDRESS HERE] and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours, and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **June 23, 2014, at 10:00 a.m.**, at the Commission's offices, Hearing Room #1, 1200 West Washington, Phoenix, Arizona. Public comments will be taken on the first day of the hearing.

Written public comments may be submitted by mailing a letter referencing Docket No. W-02105A-13-0415 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website (www.azcc.gov) using the "Submit a Comment on an Issue" button. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or 602-542-4251.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. Anyone who wishes to intervene must file an original and 13 copies of a written motion to intervene with the Commission no later than **April 1, 2014**, and send

1 a copy of the motion to Mt. Tipton or its counsel and to all parties of record. A motion
2 to intervene must contain the following:

- 3 1. The name, address, and telephone number of the proposed intervenor and of
4 any person upon whom service of documents is to be made if different from
5 that of the intervenor;
- 6 2. A short statement of the proposed intervenor's interest in the proceeding (e.g.,
7 a customer or potential customer of the Company, a member or shareholder of
8 the Company, etc.);
- 9 3. A statement certifying that a copy of the motion to intervene has been mailed
10 to the Company or its counsel and to all parties of record in the case; and
- 11 4. If the proposed intervenor is not represented by an attorney who is an active
12 member of the Arizona State Bar, and is not an individual representing
13 himself or herself, information and any appropriate documentation
14 demonstrating the intervenor's compliance with Arizona Supreme Court Rules
15 31, 38, and 42, as applicable.

16 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
17 that all motions to intervene must be filed on or before April 1, 2014. If
18 representation by counsel is required by Arizona Supreme Court Rule 31, intervention
19 will be conditioned upon the intervenor obtaining counsel to represent the intervenor.
20 For information about requesting intervention, visit the Commission's website at
21 <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.

22 The granting of intervention, among other things, entitles a party to present sworn
23 evidence at the hearing and to cross-examine other witnesses. However, failure to
24 intervene will not preclude any interested person or entity from appearing at the
25 hearing and providing public comment on the application or from filing written
26 comments in the record of the case.

27 ADA/Equal Access Information

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

IT IS FURTHER ORDERED that, by **February 18, 2014**, **Mt. Tipton Water Company,
Inc. shall mail** to each current customer a copy of the above notice and cause the above notice to be
published in a newspaper(s) of general circulation in its service territory.

IT IS FURTHER ORDERED that Mt. Tipton Water Company, Inc. shall file **certification of
mailing and publication** as soon as practicable after the mailing and publication have been
completed, but **no later than March 14, 2014**.

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

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 13th day of January, 2014.

21 
22 SARAH N. HARPRING
23 ADMINISTRATIVE LAW JUDGE

24 Copies of the foregoing mailed/delivered
25 this 13th day of January, 2014, to:

26 Steve Wene
27 MOYES SELLERS & HENDRICKS LTD
1850 N. Central Avenue, Suite 1100
Phoenix, Arizona 85004
Attorneys for Mt. Tipton Water Company, Inc.

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2 ARIZONA CORPORATION COMMISSION
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10 By: Tammy Velarde
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