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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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Arizona Corporation Commission
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AZ CORP COMMISSION
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JAN 30 2014

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

DOCKET NO. W-02168A-11-0363

IN THE MATTER OF THE APPLICATION OF TRUXTON CANYON WATER COMPANY, INC. FOR APPROVAL OF A REVISION OF THE COMPANY'S EXISTING TERMS AND CONDITIONS OF WATER SERVICE.

DOCKET NO. W-02168A-13-0309

IN THE MATTER OF THE APPLICATION OF TRUXTON CANYON WATER COMPANY, INC. FOR AUTHORITY TO INCUR LONG-TERM DEBT.

DOCKET NO. W-02168A-13-0332

PROCEDURAL ORDER

BY THE COMMISSION:

On September 30, 2011, in Docket No. W-02168A-11-0363 Truxton Canyon Water Company, Inc. ("Truxton" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for an increase in its water rates and charges, using a test year ("TY") ending June 30, 2011("rate docket"). Truxton's application requested authorization to increase its rates to generate an additional \$312,034 in gross revenues per year, resulting in a 97.24 percent increase over unaudited test year revenues. Truxton's application stated that the additional revenues would be obtained through having the Valle Vista Property Owner Association ("VVPOA") become a customer of Truxton.

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

1 On November 4, 2011, by Procedural Order, the rate case hearing was set to begin on May 7,
2 2012, and other procedural deadlines were established.

3 On December 1, 2011, VVPOA filed a Motion to Intervene in this proceeding, which was
4 granted on January 3, 2012, by Procedural Order.

5 On January 31, 2012, Staff filed a Motion to Suspend Timeclock, stating that Staff needed
6 additional time to analyze the Company's rate case application because the Company had failed to
7 timely respond to Staff's data requests. Staff's motion requested that the timeclock be suspended in
8 this matter.

9 On February 13, 2012, by Procedural Order, the timeclock in the rate docket was suspended;
10 the hearing set for May 7, 2012, was established as a public comments hearing only; and Staff was
11 directed to file a request to reinstate the timeclock and a request to reset the procedural schedule,
12 once Staff had received the Company's outstanding data responses.

13 On September 5, 2012, Staff filed a Request for Procedural Order, requesting that the
14 Commission order Truxton to update its rate case application with revised data reflecting a new TY
15 using the twelve months ending June 30, 2012, and that the Company be given until October 31,
16 2012, to provide the updated data.

17 On September 6, 2012, by Procedural Order, a procedural conference was scheduled for
18 September 17, 2012, to address Staff's request to have Truxton update its rate case application to
19 reflect a 2012 TY.

20 On September 13, 2012, Truxton filed a Notice of Settlement Agreement and Request for
21 Expedited Approval.

22 On the same date, Truxton filed a Motion to Reschedule Hearing or Alternatively Permit
23 Telephonic Appearance, stating that neither Truxton's representative or VVPOA's attorney were
24 available to attend the procedural conference on September 17, 2012. The motion requested that the
25 procedural conference be rescheduled for the week of September 24, 2012.

26 On September 14, 2013, by Procedural Order, the procedural conference scheduled for
27 September 17, 2012, was continued to September 26, 2012.

28 On September 26, 2012, a procedural conference was held as scheduled. Staff, Truxton, and

1 VVPOA appeared through counsel. During the procedural conference, the parties stated that Truxton
2 and Staff had reached an agreement, in which Truxton agreed that it would amend its rate application
3 using a 2012 TY.

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

7 On February 22, 2013, Truxton filed updated rate case documents.

8 On August 26, 2013, Staff filed a Request to Reinstate Timeclock and Reset Procedural
9 Schedule, stating that Staff had received sufficient information to enable it to complete its direct
10 testimony and requesting that the timeclock in this matter be reinstated and that the procedural
11 schedule be reset.

12 On October 2, 2013, by Procedural Order, the hearing in the rate case was rescheduled to
13 begin on January 21, 2014, other procedural deadlines were established, and the timeclock was
14 reinstated.

15 On October 10, 2013, Staff filed a Motion to Consolidate, stating that in addition to Truxton's
16 rate case application, Truxton had filed on September 11, 2013, (in Docket No. W-02168A-13-0309)
17 an application with the Commission requesting to revise its existing terms and conditions to provide
18 water service ("service docket"), and on September 30, 2013, (in Docket No. W-02168A-13-0332)
19 an application for authority to incur long-term debt ("finance docket"). Staff's motion stated that the
20 issues in all three dockets were interrelated and that the Company and VVPOA did not oppose
21 consolidation of the three dockets.

22 On October 21, 2013, by Procedural Order, Staff's request for consolidation of the above
23 referenced dockets was granted. The Procedural Order maintained the procedural schedule
24 established in the October 2, 2013, Procedural Order, and directed Truxton to file certification of
25 public notice for its finance application by October 28, 2013.

26 On November 1, 2013, the Company filed a Request for Extension of Time Regarding
27 Notices, stating that the Company needed additional time to file its certification of mailing and to
28 publish notice of the applications. Truxton requested an extension of time until October 30, 2013, to

1 mail all notices; until November 3, 2013, to publish all notices; and until November 19, 2013, to file
2 all certifications of publication and mailings.

3 On the same date, Staff filed a Motion to Extend Time to File Testimony, stating that Staff
4 required an extension of time, until November 8, 2013, to file its direct testimony to include
5 information on the Company's finance application. Staff requested that the Company and that
6 VVPOA be given an additional one week extension of time to file their respective testimony. Staff's
7 request stated that the Company and that VVPOA did not oppose Staff's request for additional time.

8 On November 8, 2013, by Procedural Order, the Company's request for an extension of time
9 to mail notices, publish notices, and file certifications of publication and mailings was granted, as
10 well as Staff's request for an extension of time to file direct testimony and the Company to file its
11 rebuttal testimony.

12 On November 8, 2013, VVPOA and Staff filed Direct Testimony.

13 On November 18, 2013, Truxton filed a Notice of Mailing and Publication of Public Notices.

14 On November 20, 2013, Staff filed a Notice of Errata regarding its direct testimony, revising
15 Schedules CSB-22 and CSB-23.

16 On December 6, 2013, Truxton filed Rebuttal Testimony.

17 On December 27, 2013, Staff filed Surrebuttal Testimony and VVPOA filed Rebuttal
18 Testimony.

19 On January 10, 2014, Truxton filed Rejoinder Testimony.

20 On January 14, 2014, a pre-hearing conference was held as scheduled. Truxton, Staff, and
21 VVPOA appeared through counsel. Counsel for Truxton stated that its main witness was unavailable
22 for the hearing date due to a death in the family. After discussion, the parties were informed that the
23 hearing in this matter would be rescheduled and that the hearing date of January 21, 2014, would be
24 used only for hearing public comments.

25 On January 21, 2014, a public comment hearing was commenced before a duly authorized
26 Administrative Law Judge of the Commission. Staff, Truxton, and VVPOA appeared through
27 counsel. No members of the public were present to provide public comments. The parties discussed
28 possible dates to reschedule the evidentiary portion of the hearing.

1 On the same date, Truxton filed a Notice of Errata for its Rejoinder Testimony, attaching
2 Schedule 1 and a Notice of Filing the Issues Matrix.

3 Based on the parties' discussions on January 21, 2014, it is reasonable to reschedule the
4 evidentiary hearing to begin on February 26, 2014, and continuing on February 27, 2014, if
5 necessary. Further, it is appropriate to suspend the timeclock in this matter for 35 days.

6 IT IS THEREFORE ORDERED that the hearing in this matter is hereby rescheduled to
7 begin on February 26, 2014, at 10:00 a.m., and continuing on February 27, 2014, if necessary, or
8 as soon thereafter is practical, at the Commission's offices, 1200 West Washington Street, Hearing
9 Room No. 1, Phoenix, Arizona 85007.

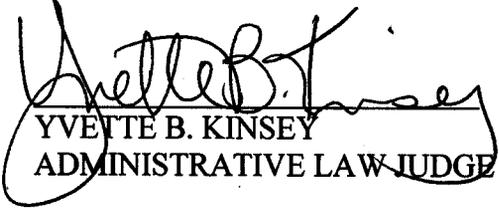
10 IT IS FURTHER ORDERED that the timeclock in this matter is hereby suspended for 35
11 days.

12 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
13 Communications) applies to this proceeding, as the matter is now set for public hearing, and shall
14 remain in effect until the Commission's Decision in this matter is final and non-appealable.

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

17 DATED this 30th day of January, 2014.

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YVETTE B. KINSEY
ADMINISTRATIVE LAW JUDGE

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