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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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- 10 COMMISSIONER
- 11

ARIZONA CORP COMMISSION
DOCKET CONTROL

12 IN THE MATTER OF THE APPLICATION OF
 13 UTILITY SOURCE, LLC, AN ARIZONA
 14 CORPORATION, FOR A DETERMINATION
 15 OF THE FAIR VALUE OF ITS UTILITY
 16 PLANTS AND PROPERTY AND FOR
 17 INCREASES IN ITS WATER AND
 18 WASTEWATER RATES AND CHARGES
 19 FOR UTILITY SERVICE BASED THEREON.

Docket No. WS-04235A-13-0331

ORIGINAL

20 **RUCO'S REPLY TO THE COMPANY'S RESPONSE TO RUCO'S APPLICATION TO**
 21 **INTERVENE AND RESPONSE TO STAFF'S REQUEST TO MODIFY PROCEDURAL**
 22 **SCHEDULE**

23 The Residential Utility Consumer Office ("RUCO") hereby replies to the Company's
 24 response to RUCO's Application to Intervene and Staff's Request to Modify the Procedural
 Schedule as follows. First, RUCO will address the Company. RUCO does not take issue with
 the Company's conclusion that the arguments RUCO raised in the Chaparral case were valid
 and still are valid. But as concerns this Application, the Company misses the point. The point
 was to show with a fact pattern far more prejudicial than the current case (filing for intervention
 the Friday before the Tuesday that a hearing was to start), the Commission had allowed
 intervention for the purpose of obtaining as much information as possible on a case – a valid
 reason regardless of one's opinion. The Commission had made it clear that its desire to obtain
 information outweighs the prejudicial affect its decision will have on a party – at least in that
 case. The prejudicial affect in the Chaparral case far outweighs the current situation where

1 RUCO seeks intervention more than a month before the hearing and prior to the time the
2 Intervener's direct testimony is due.

3 The issue of moving back the time schedule for filing testimony is now less clear given
4 that Staff has filed a Motion to Modify the Procedural Schedule and it now appears that more
5 issues have come to Staff's attention which call into question its proposed modified procedural
6 schedule. It could not be more obvious that what is needed at this point would be a procedural
7 conference to decide the myriad of procedural issues that are outstanding.

8 The rest of the Company's arguments should be dismissed. The extra cost of RUCO's
9 intervention to the ratepayer is not persuasive. That argument could be made in every case
10 which RUCO intervenes. The legislature created RUCO to protect the interests of the
11 ratepayers knowing full well that companies would incur additional cost defending their
12 positions. Excluding RUCO from the process because of the additional cost goes against the
13 legislative intent. Moreover, it is presumptuous for the Company to assume that it will recover
14 all of that cost. The Commission, not the Company, ultimately decides what is a reasonable
15 amount of rate case expense.

16 The Company's argument that RUCO could have intervened before, while true, is not
17 persuasive either. RUCO's intervention at this time is not for the purpose of delay or to
18 prejudice to the Company. RUCO typically does not get involved in a case this size – RUCO's
19 focus is, and always has been to serve as many ratepayers as possible. However, as
20 explained in RUCO's Application, there are cases where ratepayers will ask and the facts of
21 the case warrant RUCO's intervention. RUCO did not know of this case until its participation
22 was requested last week. Given the magnitude of the increase, RUCO believes it can be of
23 some assistance to the Commission and to RUCO's constituency. While late, RUCO's
24 intervention application is surely not at the late stage that was considered in the Chaparral
case and it now appears that Staff also wants to set the filing dates back.

1 RUCO will abide by whatever level of participation this Commission deems appropriate.
2 If the Commission is not willing to allow RUCO the time to do a full analysis, RUCO is willing to
3 file limited testimony on the issues it can review before it is required to file its testimony.

4 RESPECTFULLY SUBMITTED this 14th day of July, 2014.

5
6 
7 Daniel W. Pozefsky
8 Chief Counsel

9 AN ORIGINAL AND THIRTEEN COPIES
10 of the foregoing filed this 14th day
11 of July, 2014 with:

12 Docket Control
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16 COPIES of the foregoing hand delivered/
17 mailed this 14th day of July, 2014 to:

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