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OPEN MEETING AGENDA ITEM

THE ARIZONA CORPORATION COMMISSION

2 COMMISSIONERS

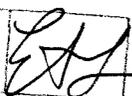
- 3 BOB STUMP - Chairman
- 4 GARY PIERCE
- 5 BRENDA BURNS
- 6 BOB BURNS
- 7 SUSAN BITTER SMITH

ORIGINAL

AZ CORP COM  
DOCKET 0000155756  
2014 SEP 5 PM 1 14

8 IN THE MATTER OF THE APPLICATION OF  
9 EPCOR WATER ARIZONA, INC., AN ARIZONA  
10 CORPORATION, FOR A DETERMINATION OF  
11 THE CURRENT FAIR VALUE OF ITS UTILITY  
12 PLANT AND PROPERTY AND FOR INCREASES  
13 IN ITS RATES AND CHARGES FOR UTILITY  
14 SERVICE BY ITS MOHAVE WATER DISTRICT,  
15 PARADISE VALLEY WATER DISTRICT, SUN  
16 CITY WATER DISTRICT, TUBAC WATER  
17 DISTRICT, AND MOHAVE WASTEWATER  
18 DISTRICT.

DOCKET NO. WS-01303A-14-0010  
Arizona Corporation Commission  
**DOCKETED**  
SEP 5 2014

DOCKETED BY 

**PROCEDURAL ORDER**

12 **BY THE COMMISSION:**

13 On March 10, 2014, EPCOR Water Arizona, Inc. ("EPCOR" or "Company") filed with the  
14 Arizona Corporation Commission ("Commission") an application for a determination of the fair  
15 value of its utility plant and property and for increases in its water and wastewater rates and charges  
16 for utility service by its Mohave Water District, Paradise Valley Water District, Sun City Water  
17 District, Tubac Water District, and Mohave Wastewater District.

18 On April 4, 2014, the Commission's Utilities Division ("Staff") issued a Letter of Sufficiency  
19 pursuant to Arizona Administrative Code ("A.A.C.") R14-2-103, and classified the Company as a  
20 Class A utility.

21 To date, intervention has been granted to the Residential Utility Consumer Office, the Santa  
22 Cruz Valley Citizens Council, Marshall Magruder, the Town of Paradise Valley, the Water Utility  
23 Association of Arizona, Delman E. Eastes, Paradise Valley Country Club, and jointly to the  
24 Sanctuary Camelback Mountain Resort & Spa, JW Marriott Camelback Inn, and Omni Scottsdale  
25 Resort & Spa at Montelucia.

26 On July 22, 2014, the Commission voted at a Staff Open Meeting to conduct a public  
27 comment meeting in Tubac, Arizona.

1 On August 14, 2014, Staff filed a Request to Extend the Date for Intervention. Staff stated  
2 that the Commission has determined, through Decision No. 74588 (July 30, 2014), that information  
3 regarding consolidation and deconsolidation of the Company's wastewater systems should be  
4 considered in Docket No. SW-01303A-09-0343, et al., and that the Commission's consideration of  
5 the consolidation/reconsolidation issues could impact customers in the Mohave Wastewater District.  
6 Therefore, Staff requested that the intervention deadline in the above-captioned case be extended  
7 from July 1, 2014 to September 19, 2014.

8 On August 15, 2014, Staff filed a Supplement to Request to Extend the Date for Intervention.  
9 Staff stated that the intervention deadline extension should apply to any person or entity with an  
10 interest in the Company's wastewater rates.

11 On August 19, 2014, a Procedural Order was issued granting Staff's Request to Extend the  
12 Date for Intervention until September 19, 2014.

13 On August 20, 2014, RUCO filed a Motion to Continue all Procedural Deadlines, Continue  
14 Hearing, and for Tolling of the Rate Case Time-Clock ("Motion"). In its Motion, RUCO asserts that  
15 the Company's responses to certain of RUCO's data requests have been inadequate and, as a result,  
16 RUCO is unable to adequately prepare testimony in this proceeding by the current filing deadline  
17 (October 3, 2014). RUCO requests that the due date for filing intervenor testimony be extended by  
18 120 days, that all other procedural deadlines and the hearing date be extended accordingly, and that  
19 the time clock be extended by 120 days.

20 On August 25, 2014, EPCOR filed a Response to RUCO's Motion to Continue all Procedural  
21 Deadlines, Continue Hearing, and for Tolling of the Rate Case Time-Clock. EPCOR claims that  
22 responding to RUCO's and Staff's data requests has been challenging; that the Company has  
23 responded to RUCO's discovery requests through ongoing updated responses; and that some of  
24 RUCO's concerns are not discovery issues but are related to positions that may be disputed between  
25 the parties. EPCOR proposes that the procedural schedule, hearing date, and time clock be extended  
26 by no more than 30 days; that a ruling be made that the Company's responses to Staff data requests 1-  
27 17 and RUCO data requests 1-11 are complete; and that the Company be directed to respond to all  
28 additional data requests in a timely manner, but in no more than 10 days from receipt.

1 On August 28, 2014, RUCO filed a Reply to the Company's Response to RUCO's Motion to  
2 Continue all Procedural Deadlines, Continue Hearing, and for Tolling of the Rate Case Time-Clock.  
3 RUCO argues that the issues raised in its Motion are not about substantive positions, but rather about  
4 discovery responses and supporting information. RUCO claims that the Company failed to provide  
5 useable plant schedules until two and one-half months after being requested, and that EPCOR  
6 recently provided revised plant schedules for two of the Company's systems. RUCO contends that  
7 certain of the depreciation rates used by the Company were previously in error and later corrected  
8 through discussions with RUCO. RUCO argues that EPCOR was not prepared to file a rate case for  
9 the systems in this proceeding and RUCO should not be denied an opportunity to prepare its case due  
10 to the Company's actions.

11 IT IS THEREFORE ORDERED that a **procedural conference shall be scheduled for**  
12 **September 16, 2014, at 10:00 a.m., at the offices of the Commission, 1200 West Washington**  
13 **Street, Phoenix, Arizona 85007, Hearing Room No. 1, for the purpose of discussing RUCO's**  
14 **Motion to Continue all Procedural Deadlines, Continue Hearing, and for Tolling of the Rate**  
15 **Case Time-Clock, as well as any other relevant procedural issues.**

16 IT IS FURTHER ORDERED a **public comment session shall be held in Tubac, Arizona on**  
17 **October 9, 2014, commencing at 5:00 p.m., at the Tubac Golf Resort, 1 Otero Road, Tubac,**  
18 **Arizona 85646, in order to allow an opportunity for EPCOR's customers to provide public comment.**

19 IT IS FURTHER ORDERED that EPCOR shall provide public notice of the public comment  
20 session on this matter, in the following form and style, with the heading in no less than 18 point bold  
21 type and the body in no less than 10 point regular type:

22 **NOTICE OF PUBLIC COMMENT SESSION IN TUBAC, ARIZONA, ON THE**  
23 **APPLICATION OF EPCOR WATER ARIZONA INC., AN ARIZONA**  
24 **CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR**  
25 **VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES**  
26 **IN ITS RATES AND CHARGES FOR UTILITY SERVICE BY ITS MOHAVE**  
**WATER DISTRICT, PARADISE VALLEY WATER DISTRICT, SUN CITY**  
**WATER DISTRICT, TUBAC WATER DISTRICT, AND MOHAVE**  
**WASTEWATER DISTRICT**  
**(DOCKET NO. WS-01303A-14-0010)**

27 On March 10, 2014, EPCOR Water Arizona Inc. ("EPCOR") filed with the Arizona  
28 Corporation Commission ("Commission") an application in Docket No. WS-01303A-  
14-0010 for a determination of the current fair value of its utility plant and property

1 and for increases in its rates and charges for utility service for its Mohave Water  
2 District, Paradise Valley Water District, Sun City Water District, Tubac Water  
3 District, and Mohave Wastewater District.

4 **Commission Sets Local Public Comment Session in Tubac, Arizona**

5 **The Commission will hold a public comment session on October 9, 2014,  
6 commencing at 5:00 p.m., at the Tubac Golf Resort, 1 Otero Road, Tubac,  
7 Arizona 85646, in order to allow an opportunity for EPCOR's customers to  
8 provide public comment regarding the application.**

9 **ADA/Equal Access Information**

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

16 **IT IS FURTHER ORDERED that EPCOR shall provide a copy of the above notice, no  
17 later than October 3, 2014, to each of its customers by bill insert or separate mailing. EPCOR  
18 shall also cause a copy of the notice to be published at least once in a newspaper of general  
19 circulation in the effected service areas, with publication to occur no later than October 3, 2014.**

20 **IT IS FURTHER ORDERED that EPCOR shall file, no later than October 7, 2014, an  
21 affidavit demonstrating compliance with the notice requirements in this Procedural Order,  
22 including mailing of notice and posting of copies of the notice.**

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

25 **IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules  
26 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission  
27 *pro hac vice*.**

28 **IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance  
with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the  
Rules of the Arizona Supreme Court). Representation before the Commission includes appearances  
at all hearings and procedural conferences, as well as all Open Meetings for which the matter is  
scheduled for discussion, unless counsel has previously been granted permission to withdraw by the  
Administrative Law Judge or the Commission.**

1 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized  
2 Communications) continues to apply to this proceeding and shall remain in effect until the  
3 Commission's Decision in this matter is final and non-appealable.

4 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended  
5 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

6 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,  
7 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at  
8 hearing.

9 DATED this 5<sup>th</sup> day of September, 2014.

10 

11  
12 DWIGHT D. NODES  
13 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

14 Copies of the foregoing mailed  
15 this 5<sup>th</sup> day of September, 2014, to:

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28 Rich Bohman, President  
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