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THE ARIZONA CORPORATION COMMISSION

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2 COMMISSIONERS

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Arizona Corporation Commission

2014 OCT 22 P 2: 35

DOCKETED

OCT 22 2014

CORP COMMISSION
DOCKET CONTROL

DOCKETED BY

7 IN THE MATTER OF THE APPLICATION OF
 8 RED ROCK UTILITIES, LLC, AN ARIZONA
 8 LIMITED LIABILITY COMPANY, FOR A
 9 DETERMINATION OF THE FAIR VALUE OF ITS
 9 UTILITY PLANT AND PROPERTY AND FOR
 10 INCREASES IN ITS WATER AND
 10 WASTEWATER RATES AND CHARGES FOR
 10 UTILITY SERVICE BASED THEREON.

DOCKET NO. WS-04245A-14-0295

ORIGINAL

RATE CASE
PROCEDURAL ORDER

11 BY THE COMMISSION:

12
 13 On August 4, 2014, Red Rock Utilities, LLC ("RRU" or "Company") filed with the Arizona
 14 Corporation Commission ("Commission") an Application for a rate increase for water and
 15 wastewater service.

16 On September 3, 2014, the Commission's Utilities Division ("Staff") notified the Company
 17 that its Application was deficient under the requirements of Arizona Administrative Code ("A.A.C.")
 18 R14-2-103.

19 On September 16, 2014, the Company filed a Response to the Letter of Deficiency.

20 On October 15, 2014, Staff notified the Company that its Application was sufficient pursuant
 21 to A.A.C. R14-2-103, and classified RRU as a Class C utility.

22 Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern
 23 the preparation and conduct of this proceeding.

24 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
 25 commence on **April 22, 2015, at 10:00 a.m.**, or as soon thereafter as is practical, at the
 26 Commission's offices, **Room 222, 400 West Congress, Tucson, Arizona 85701.**¹

27
 28 ¹ The hearing will continue on April 23, 2015, if needed.

1 IT IS FURTHER ORDERED that any **direct testimony (except that related to rate design**
2 **and cost of service)** and associated exhibits to be presented at hearing on behalf of **Staff** or
3 **Intervenors** shall be reduced to writing and filed on or before **February 25, 2015**.

4 IT IS FURTHER ORDERED that any **direct testimony related to rate design and cost of**
5 **service** and associated exhibits to be presented at hearing on behalf of **Staff and Intervenors** shall be
6 reduced to writing and filed on or before **March 4, 2014**.

7 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be
8 presented at hearing by the **Company** shall be reduced to writing and filed on or before **March 25,**
9 **2015**.

10 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be
11 presented by the Staff and/or intervenors shall be reduced to writing and filed on or before **April 8,**
12 **2015**.

13 IT IS FURTHER ORDERED that any **rejoinder testimony** and associated exhibits to be
14 presented at the hearing by the **Company** shall be reduced to writing and filed on or before **April 17,**
15 **2015**.

16 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
17 pre-filed testimony shall be reduced to writing and filed no later than five days before the witness is
18 scheduled to testify.

19 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
20 105, except that all motions to intervene must be filed **on or before February 6, 2015**.

21 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
22 regulations of the Commission, except that through **March 15, 2015**, any objection to discovery
23 requests shall be made within 7 days² of receipt and responses to discovery requests shall be made
24 within 10 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and
25 responses shall be made in 7 days; the response time may be extended by mutual agreement of the
26 parties involved if the request requires an extensive compilation effort.

27
28

² "Days" means calendar days.

1 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
2 discovery, any party seeking discovery may telephonically contact the Commission's Hearing
3 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a
4 request, a procedural hearing will be convened as soon as practicable; and that the party making such
5 a request shall forthwith contact all other parties to advise them of the hearing date and shall at the
6 hearing provide a statement confirming that the other parties were contacted.³

7 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by
8 the Commission within 20 days of the filing date of the motion shall be deemed denied.

9 IT IS FURTHER ORDERED that any responses to motions shall be filed within five days of
10 the filing date of the motion.

11 IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date
12 of the response.

13 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
14 this matter, in the following type size, form and style with the heading in no less than 14 point bold
15 type and the body in no less than 10-point regular type:

16 **PUBLIC NOTICE OF HEARING ON THE**
17 **RATE APPLICATION OF**
18 **RED ROCK UTILITIES, LLC**
Docket No. WS-04245A-14-0295

19 On August 4, 2014, Red Rock Utilities, LLC ("RRU" or "Company") filed an
20 application with the Arizona Corporation Commission ("Commission") for approval
of a rate increase for its water and wastewater services.

21 The Company proposes to increase its Water Division's annual revenues by \$14,480,
22 or 2.72 percent. If the Company's position were to be adopted, the average monthly
23 bill for a residential customer using 5,155 gallons with a 5/8 x 3/4 inch meter would
increase \$0.54, or 1.44 percent, to \$39.03. The increase will vary between customer
24 classes and among individual consumers within a class depending on usage.

25 The Company proposes to increase its Wastewater Division's annual revenues by
26 \$356,955, an increase of 74.75 percent. If the Company's proposal is adopted the
monthly charge for a 5/8 x 3/4 inch metered customer would increase \$30.03, or 76.70
27 percent, from \$39.50 to \$69.80, however, the Company is proposing to phase-in the

28 ³ The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations
before seeking Commission resolution of the controversy.

1 rate increase evenly over 5 years, which would increase the monthly charge by \$6.06
2 per year. The amount of the increase also varies by meter size.

3 The Commission's Utilities Division Staff has not yet made a recommendation
4 regarding the Company's rate proposals, and the Commission will determine the
5 appropriate rate relief to be granted based on the evidence of record in this proceeding.
6 The Commission is not bound by the proposals made by the Company, Staff, or any
7 intervenors and, therefore, the final rates approved in this docket may be lower or
8 higher than the rates described above.

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

10 If you have any questions concerning how the Company's rate proposal will affect
11 your bill or have other substantive questions about this application, you may contact
12 the Company at: [COMPANY SHOULD INSERT NAME, ADDRESS,
13 TELEPHONE NUMBER, AND E-MAIL ADDRESS FOR CUSTOMER
14 CONTACTS CONCERNING THE APPLICATION]. Copies of the application
15 and proposed tariffs are available at the Company's offices and at the Commission's
16 Docket Control Center at 1200 West Washington, Phoenix, Arizona and its Tucson
17 offices, 400 West Congress, Suite 218, Tucson, Arizona, and on the internet via the
18 Commission website ([/www.azcc.gov/](http://www.azcc.gov/)) using the e-docket function.

19 **Public Hearing Information**

20 The Commission will hold a **hearing** on this matter beginning **April 22, 2015, at**
21 **10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress, Tucson,
22 Arizona, 85701.

23 Public comments will be taken at the beginning of the hearing. Written public
24 comments may be submitted by mailing a letter referencing Docket No. WS-04245A-
25 14-0295 to Arizona Corporation Commission, Consumer Services Section, 1200 West
26 Washington, Phoenix, AZ 85007, or by email. For a form to use and instructions on
27 how to e-mail comments to the Commission, go to
28 <http://www.azcc.gov/divisions/utilities/forms/PublicCommentForm.pdf>. If you
require assistance, you may contact the Consumer Services Section at 1-800-222-7000
or (520) 628-6550.

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. If you wish to intervene, you must file an original and 13 copies of a
written motion to intervene with the Commission no later than **February 6, 2015**, and
a copy of the motion to RRU or its counsel and to all parties of record. Your motion
must contain the following:

1. Your name, address, and telephone number and the name, address and
telephone number of any party upon whom service of documents is to
be made, if not yourself.
2. A short statement of your interest in the proceeding (e.g., a customer of
the Company, etc.).

1 3. A statement certifying that you have mailed a copy of the motion to
 2 intervene to the Company or its counsel and to all parties of record in
 the case.

3 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
 4 that all motions to intervene must be filed on or before February 6, 2015. If
 5 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
 6 Court, intervention will be conditioned upon the intervenor obtaining counsel to
 7 represent the intervenor. For information about requesting intervention, visit the
 Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.
 8 The granting of intervention, among other things, entitles a party to present sworn
 evidence at the hearing and to cross-examine other witnesses. However, failure to
 intervene will not preclude any interested person or entity from appearing at the
 hearing and providing public comment on the application or from filing written
 comments in the record of the case.

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
 such as a sign language interpreter, as well as request this document in an alternative
 12 format, by contacting the ADA Coordinator Shaylin Bernal, E-mail
 SABernal@azcc.gov, voice phone number 602/542-3931. Requests should be made
 as early as possible to allow time to arrange the accommodation.

13 IT IS FURTHER ORDERED that the Company shall **mail** to each of its customers a copy of
 14 the above notice by **December 15, 2014**, and shall cause the above notice to be published at least
 15 once in a newspaper of local circulation in its Arizona service territory, with **publication** to be
 16 completed no later than **December 15, 2014**.

17 IT IS FURTHER ORDERED that the Company shall file certifications of mailing and
 18 publication as soon as practicable after they have been completed.

19 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and
 20 publication of same, notwithstanding the failure of an individual customer to read or receive the
 21 notice.

22 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
 23 Communications) applies to this proceeding and shall be in effect until the Commission's Decision in
 24 this matter is final and non-appealable.

25 IT IS FURTHER ORDERED that all parties must comply with Rule 33 (c) and (d) of the
 26 Rules of the Arizona Supreme Court with respect to practice of law and admission *pro hac vice*.

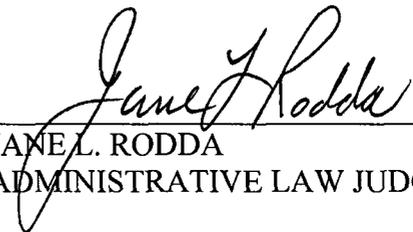
27 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
 28 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the

1 Rules of the Arizona Supreme Court). Representation before the Commission includes the obligation
2 to appear at all hearings and procedural conferences, as well as all Open Meetings for which the
3 matter is scheduled for discussion, unless counsel has previously been granted permission to
4 withdraw by the Administrative Law Judge.

5 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
6 pursuant to Rule 6(a) or (3) of the Rules of Civil Procedure.

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

9 DATED this 32nd day of October, 2015.

10
11 
12 JANE L. RODDA
13 ADMINISTRATIVE LAW JUDGE

14 Copies of the foregoing mailed
15 this 32nd day of October, 2015 to:

16 Lawrence V. Robertson, Jr.
17 PO Box 1448
18 Tubac, AZ 85646
19 Attorney for Red Rock Utilities, LLC

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20 Mark Weinburg
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27
28 By: 
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