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THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

DOCKETED

OCT 29 2014

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AZ CORP COMMISSION
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DOCKETED BY

8 IN THE MATTER OF THE APPLICATION OF
 9 QUAIL CREEK WATER COMPANY, INC., AN
 10 ARIZONA CORPORATION, FOR A
 11 DETERMINATION OF THE FAIR VALUE OF ITS
 12 UTILITY PLANT AND PROPERTY AND FOR
 13 INCREASES IN ITS WATER RATES AND
 14 CHARGES FOR UTILITY SERVICE BASED
 15 THEREON.

DOCKET NO. W-02514A-14-0343

ORIGINAL

RATE CASE
PROCEDURAL ORDER

11 **BY THE COMMISSION:**

12 On September 19, 2014, Quail Creek Water Company, Inc. ("QCW" or "Company") filed an
13 Application with the Arizona Corporation Commission ("Commission") for a rate increase.

14 On October 20, 2014, the Commission's Utilities Division ("Staff") notified the Company
15 that its application met the sufficiency requirements of Arizona Administrative Code ("A.A.C.")
16 R14-2-103, and classified the Company as Class B.

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

19 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
20 commence on **June 30, 2015, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's
21 offices, **Room 222, 400 West Congress, Tucson, Arizona 85701.**¹

22 IT IS FURTHER ORDERED that a **telephonic pre-hearing conference** shall be held on
23 **June 23, 2015, at 10:00 a.m.**, at the Commission's Tucson Offices, Room 222, 400 West Congress,
24 Tucson, Arizona, 85701 for the purpose of scheduling witnesses and the conduct of the hearing. **The**
25 **call-in number to participate telephonically is 1-888-450-5996, Access Code 457395#.**

26
27
28 ¹ The hearing will continue on July 1, 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 **April 15, 2015**.

4 IT IS FURTHER ORDERED that any **direct testimony related 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 **April 22, 2015**.

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 **May 13,**
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 **June 3,**
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 **June 17,**
15 **2015**.

16 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have
17 been prefiled as of June 17, 2015, shall be made on or before the Pre-Haring Conference.

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

21 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
22 105, except that all motions to intervene must be filed **on or before March 31, 2015**.

23 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
24 regulations of the Commission, except that through **May 29, 2015**, any objection to discovery
25 requests shall be made within 7 days² of receipt and responses to discovery requests shall be made
26 within 10 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and
27

28 ² "Days" means calendar days.

1 responses shall be made in 7 days;¹ the response time may be extended by mutual agreement of the
2 parties involved if the request requires an extensive compilation effort.

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

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

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

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

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

18 **PUBLIC NOTICE OF HEARING ON THE**
19 **RATE APPLICATION OF**
QUAIL CREEK WATER COMPANY, INC.
20 **Docket No. W-02514A-14-0343**

21 On September 19, 2014, Quail Creek Water Company, Inc. ("QCW" or "Company")
22 filed an application with the Arizona Corporation Commission ("Commission") for an
23 increase in annual revenues of \$411,785, or 48.75 percent over test year revenues. The
24 Company's current rates were approved in 1999. Under the rates as proposed by the
25 Company, a residential water service customer with a 5/8 x 3/4 inch meter, and an
26 average monthly usage of 5,725 gallons, would expect to see a monthly increase of
27 \$12.60, or 40.62 percent, from \$31.03 to \$43.63. A customer's bill depends on meter
28 size and how much water is used each month. A customer with a larger meter and/or
using less or more than the average would experience a smaller or larger increase.

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

1 If you have any questions concerning how the Company's rate proposal will affect
2 your bill or have other substantive questions about this application, you may contact
3 the Company at: [COMPANY SHOULD INSERT NAME, ADDRESS,
4 TELEPHONE NUMBER, AND E-MAIL ADDRESS FOR CUSTOMER
5 CONTACTS CONCERNING THE APPLICATION].

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

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

13 Copies of the application and proposed tariffs are available at the Company's offices
14 [INSERT ADDRESS] and at the Commission's Docket Control Center at 1200 West
15 Washington, Phoenix, Arizona and its Tucson offices, 400 West Congress, Suite 218,
16 Tucson, Arizona, and on the internet via the Commission website ([/www.azcc.gov/](http://www.azcc.gov/))
17 using the e-docket function.

18 Public Hearing Information

19 The Commission will hold a **hearing** on this matter beginning **June 30, 2015, at**
20 **10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress, Tucson,
21 Arizona, 85701.

22 Public comments will be taken at the beginning of the hearing. Written public
23 comments may be submitted by mailing a letter referencing Docket No. W-02514A-
24 14-0343 to Arizona Corporation Commission, Consumer Services Section, 1200 West
25 Washington, Phoenix, AZ 85007, or by email. For a form to use and instructions on
26 how to e-mail comments to the Commission, go to
27 <http://www.azcc.gov/divisions/utilities/forms/PublicCommentForm.pdf>. If you
28 require assistance, you may contact the Consumer Services Section at 1-800-222-7000
or (520) 628-6550.

29 About Intervention

30 The law provides for an open public hearing at which, under appropriate
31 circumstances, interested parties may intervene. Any person or entity entitled by law
32 to intervene and having a direct and substantial interest in the matter will be permitted
33 to intervene. If you wish to intervene, you must file an original and 13 copies of a
34 written motion to intervene with the Commission no later than **March 31, 2015**, and
35 send a copy of the motion to QCW or its counsel and to all parties of record. Your
36 motion must contain the following:

- 37 1. Your name, address, and telephone number and the name, address and
38 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.).
3. A statement certifying that you have mailed a copy of the motion to
intervene to the Company or its counsel and to all parties of record in
the case.

1 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
2 that all motions to intervene must be filed on or before March 31, 2015. If
3 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
4 Court, intervention will be conditioned upon the intervenor obtaining counsel to
5 represent the intervenor. For information about requesting intervention, visit the
6 Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.
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.

7 **ADA/Equal Access Information**

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

14 IT IS FURTHER ORDERED that the Company shall **mail** to each of its customers a copy of
15 the above notice by **December 31, 2014**, and shall cause the above notice to be published at least
16 once in a newspaper of local circulation in its service territory, with **publication** to be completed no
17 later than **December 31, 2014**.

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

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

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

26 IT IS FURTHER ORDERED that all parties must comply with Rule 33 (c) and (d) of the
27 Rules of the Arizona Supreme Court with respect to practice of law and admission 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 the obligation

1 to appear at all hearings and procedural conferences, as well as all Open Meetings for which the
2 matter is scheduled for discussion, unless counsel has previously been granted permission to
3 withdraw by the Administrative Law Judge.

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

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

8 DATED this 29th day of October, 2014.



JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

12 Copies of the foregoing mailed
13 this 29th day of October, 2014 to:

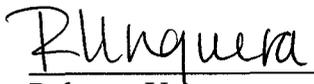
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