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BEFORE THE ARIZONA CORPORATION COMMISSION

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2014 DEC 16 P 2: 59

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

DEC 16 2014

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF  
GOLDEN SHORES WATER COMPANY, INC.  
FOR A PERMANENT INCREASE IN ITS WATER  
RATES AND CHARGES.

DOCKET NO. W-01815A-14-0173

**PROCEDURAL ORDER**  
(Suspends Procedural Schedule)

BY THE COMMISSION:

On June 2, 2014, Golden Shores Water Company, Inc. ("Golden Shores" or "Company") filed with the Arizona Corporation Commission ("Commission") an application<sup>1</sup> for a determination of the fair value of its plant and property for the provision of public utility service and for an increase in its rates and charges for water utility service based thereon.<sup>2</sup> Golden Shores' application uses a test year ("TY") ending December 31, 2013. The Company's customers are almost exclusively residential customers served by 5/8" x 3/4" water meters.

On June 9, 2014, one customer comment in opposition to the application was docketed.

On June 11, 2014, Golden Shores filed a request for a one time waiver to file its rate application for a water utility classes D&E, with revenues less than \$250,000, citing lack of funds to file a rate case for a Class C Utility.

One customer comment in opposition to the application was docketed on each day of June 17, 2014, June 19, 2014, and June 23, 2014.

On July 1, 2014, the Commission's Utilities Division ("Staff") issued a Letter of Deficiency.

On July 2, 2014, one customer comment in opposition to the application was docketed.

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<sup>1</sup> Golden Shores completed a rate application for water companies with annual gross operating revenues of less than \$250,000.

<sup>2</sup> In Decision No. 74168 (October 25, 2013), Golden Shores was ordered to file an application for a permanent rate increase no later than May 30, 2014.

1 On August 14, 2014, Staff filed a Letter of Sufficiency indicating that Golden Shores'  
2 application had met the sufficiency requirements outlined in Arizona Administrative Code  
3 ("A.A.C.") R14-2-103, and classifying Golden Shores as a Class C Utility.

4 On August 20, 2014, a Procedural Order was issued scheduling an evidentiary hearing to  
5 commence on February 10, 2015, and requiring the filing of direct testimony and responsive  
6 testimony by December 26, 2014 and January 12, 2015, respectively, and other procedural deadlines  
7 were established.

8 Between September 29, 2014 and October 8, 2014, four consumer comments in opposition to  
9 the application were docketed.

10 On October 9, 2014, Golden Shores filed an Affidavit of Mailing stating that the prescribed  
11 customer notice had been mailed on September 17, 2014.

12 On October 14, 2014, Golden Shores filed an Affidavit of Publication showing that the  
13 prescribed customer notice had been published in the October 2014 edition of the *Topock Topics*, a  
14 monthly newsletter of general circulation in Golden Shores' service area.

15 On December 10, 2014, Staff filed a Motion to Suspend Timeclock stating that through the  
16 course of discovery, Staff learned that the Company needed to file an application for the approval of  
17 financing. Staff stated the financing application should be filed before Staff files its direct testimony  
18 in the rate case and, as a result of that delay, Golden Shores will need to update the TY for its  
19 permanent rate application, from a TY ending December 31, 2013 to a TY ending December 31,  
20 2014. The updated application will require the Company to submit 2014 bill counts for all meter  
21 sizes, 2014 balance sheet and income statements, as well as other updated 2014 data. Staff believes  
22 the Company will need six months to provide the additional information, which should be  
23 accomplished by June 30, 2015. Therefore, Staff requests that the timeclock in this docket be  
24 suspended, and that the timeclock be reinstated upon the Company's filing of updated TY  
25 information and Golden Shores' filing a financing application.

26 On December 12, 2014, Staff filed a supplement to its motion, correcting a typographical  
27 error and indicating that the Company supports Staff's proposed suspension of the timeclock.  
28

1 As such, it is appropriate to suspend the timeclock and to vacate the procedural schedule set  
2 forth in the August 20, 2014 Procedural Order. However, because Golden Shores has timely  
3 published notice of the February 10, 2015 hearing date, the hearing shall convene for public comment  
4 only. Once the Company files its financing application and updates its rate case TY information, it is  
5 appropriate to require Staff to file a request to reinstate the timeclock in this docket and to reset the  
6 procedural schedule in this matter.

7 IT IS THEREFORE ORDERED that the **evidentiary hearing** scheduled to commence on  
8 **February 10, 2015, at 10:00 a.m** in this matter shall be convened for purposes of taking public  
9 comment only.

10 IT IS FURTHER ORDERED that the **procedural deadlines** set forth in the August 20, 2014  
11 Procedural Order are hereby **vacated**.

12 IT IS FURTHER ORDERED that the **timeclock** in this matter is hereby **suspended**.

13 IT IS FURTHER ORDERED that upon Golden Shores' filing of updated rate case  
14 information using a test year ending December 31, 2014, and its financing application, **Staff shall**  
15 **make a filing** requesting reinstatement of the timeclock in this matter and requesting that the  
16 procedural schedule be reset.

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

20 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules  
21 31, 38, and 42 and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.<sup>3</sup>

22 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance  
23 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona  
24 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings

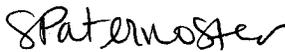
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26 <sup>3</sup> If a corporation is not represented by an attorney authorized to practice law in Arizona in a proceeding before the  
27 Commission, an officer of the corporation may represent the entity as long as the board of directors has authorized such  
28 person to represent it in the matter and such representation is not the person's primary duty to the entity, but secondary or  
incidental to other duties relating to the management or operation of the entity, and such person is not receiving separate  
or additional compensation for such representation. See Arizona Supreme Court Rule 31(d)(11). The Commission  
requires entities to docket evidence of board authorization.

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

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 16<sup>th</sup> day of December, 2014.

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13 SASHA PATERNOSTER  
ADMINISTRATIVE LAW JUDGE

14 Copies of the foregoing mailed/delivered  
15 this 16<sup>th</sup> day of December, 2014 to:

16 Mark Sparks  
17 GOLDEN SHORES WATER COMPANY  
18 P.O. Box 37  
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27 By:   
28 \_\_\_\_\_  
Rebecca Unquera  
Assistant to Sasha Paternoster