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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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FEB 26 2015

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AZ CORP COMMISSION
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DOCKET NO. WS-04235A-13-0331

ORIGINAL

PROCEDURAL ORDER

IN THE MATTER OF THE APPLICATION OF
UTILITY SOURCE, LLC, AN ARIZONA
CORPORATION, FOR A DETERMINATION OF
THE FAIR VALUE OF ITS UTILITY PLANTS
AND PROPERTY AND FOR INCREASES IN ITS
WATER AND WASTEWATER RATES AND
CHARGES FOR UTILITY SERVICE BASED
THEREON.

BY THE COMMISSION:

On September 27, 2013, Utility Source, LLC (“Utility Source” or “Company”) filed with the Arizona Corporation Commission (“Commission”) an application for a determination of the current fair value of its utility plants and property and for increases in its rates and charges for water and wastewater utility service provided to customers in the Company’s service area in Coconino County, Arizona.

On July 16, 2014, a Procedural Order was issued scheduling, among other things, a prehearing conference on November 13, 2014, at 10:00 a.m.¹

On October 31, 2014, the Company filed a Motion to Reschedule Procedural Conference requesting that the prehearing conference be rescheduled for 1:00 p.m., or later, on November 13, 2014, due to a scheduling conflict.

On November 4, 2014, a Procedural Order was issued rescheduling the prehearing conference for November 13, 2014, at 2:30 p.m.

On November 13, 2014, the prehearing conference was held as scheduled, with the Company, the Commission’s Utilities Division (“Staff”), and the Residential Utility Consumer Office (“RUCO”) appearing through counsel, and Mr. Nielsen and Mr. Fallon appearing *pro se*.² At that

¹ The procedural history for this case is more fully stated in the July 16, 2014 Procedural Order, and is incorporated herein by reference.

² Mr. Nielsen and Mr. Fallon attended telephonically.

1 time, RUCO requested that the hearing be continued due to a scheduling conflict with RUCO's
2 counsel. The Company, Staff, Mr. Nielsen, and Mr. Fallon agreed to accommodate RUCO's request.

3 On November 14, 2014, a Procedural Order was issued vacating the hearing dates scheduled
4 for November 18, 19, 20, and 21, 2014, and scheduling a procedural conference on November 18,
5 2014, for the purposes of discussing new hearing dates and other procedural matters.

6 On November 18, 2014, the procedural conference was held as scheduled, with the Company,
7 Staff, and RUCO appearing through counsel, and Mr. Nielsen and Mr. Fallon appearing *pro se*.³ Due
8 to scheduling conflicts, Staff and RUCO proposed that the hearing be rescheduled no sooner than
9 January of 2015. The parties agreed to meet and confer regarding potential hearing dates in January
10 and the Company proposed to file a list of mutually agreeable hearing dates for consideration. In
11 addition, an alternative option for regulatory treatment of the Company's standpipe operation was
12 discussed and the parties were directed to address that alternative at the hearing.

13 On November 18, 2014, a Procedural Order was issued directing, among other things, the
14 Company to file a list of mutually agreeable hearing dates no later than November 26, 2014.

15 On November 26, 2014, the Company filed a Notice of Dates of Availability indicating that
16 all parties were available for hearing on February 17, 18, and 19, 2015.

17 On December 3, 2014, a Procedural Order was issued scheduling a hearing to commence on
18 February 17, 2015 and continue, if necessary, on February 18 and 19, 2015.

19 On January 9, 2015, RUCO filed a Motion to Compel the Company to respond to RUCO's
20 Data Request Number 2.01.

21 On January 15, 2015, RUCO filed a Notice of Withdrawal of its Motion to Compel indicating
22 that the Company provided a response to RUCO's Data Request Number 2.01.

23 On January 16, 2015, Mr. Nielsen filed a Motion to Compel the Company to respond to his
24 Third and Fourth Sets of Data Requests.

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28 ³ The Company, Mr. Nielsen, and Mr. Fallon attended telephonically.

1 On February 4, 2015, the Company filed a Response to Mr. Nielsen's Motion to Compel
2 stating that the motion is moot because the Company e-mailed responses to Mr. Nielsen on February
3 2, 2015.

4 On February 9, 2015, Mr. Nielsen filed a Response to the Company's February 4, 2015
5 Response stating that the Company failed to fully respond to three specific data requests and
6 requesting a procedural conference to discuss the Motion to Compel.

7 On February 10, 2015, a Procedural Order was issued scheduling a telephonic procedural
8 conference to address Mr. Nielsen's Motion to Compel.

9 On February 11, 2015, Staff filed a Memorandum to update its recommended regulatory
10 treatment of the Company's standpipe operation.

11 On February 12, 2015, a telephonic procedural conference was held as scheduled, with the
12 Company, Staff, and RUCO appearing through counsel, and Mr. Nielsen appearing *pro se*. At that
13 time, the Company agreed to provide any documents responsive to Mr. Nielsen's data requests on
14 February 13, 2015.⁴ In addition, the parties represented that Staff's updated recommendation for the
15 Company's standpipe operation would not impair the ability of any party to prepare for the hearing.

16 On February 17, 18, and 19, 2015, a full public hearing was convened as scheduled, with the
17 Company, Staff, and RUCO appearing through counsel, and Mr. Nielsen and Mr. Fallon appearing
18 *pro se*. At the conclusion of the hearing, the parties were directed to submit a joint schedule for filing
19 closing briefs, reply briefs, and any final schedules.

20 On February 25, 2015, Staff filed a Briefing Schedule stating that the parties agree to file any
21 final schedules by March 6, 2015, closing briefs by March 24, 2015, and reply briefs by April 14,
22 2015.

23 The filing schedule proposed by the parties is reasonable and should be adopted.

24 IT IS THEREFORE ORDERED that **final schedules**, if any, shall be filed no later than
25 **March 6, 2015**.

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⁴ The Company represented that it did not have any documents responsive to two of Mr. Nielsen's outstanding data requests.

1 IT IS FURTHER ORDERED that **closing briefs** shall be filed no later than **March 24, 2015**.

2 IT IS FURTHER ORDERED that **reply briefs** shall be filed no later than **April 14, 2015**.

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

6 IT IS FURTHER ORDERED that the **timeclock** for this matter remains suspended pending
7 the submission of reply briefs.

8 IT IS FURTHER ORDERED that each party to this matter may opt to receive service of all
9 Procedural and Recommended Orders issued by the Commission's Hearing Division in this matter
10 via e-mail rather than U.S. Mail, as permitted under A.A.C. R14-3-107(B). To exercise this option, a
11 party shall send to hearingsdivision@azcc.gov, from the e-mail address at which the party desires to
12 receive service, an e-mail request including the name of the party on whom service is to be made and
13 the docket number for this matter. After a party receives an e-mail confirmation of its request from
14 hearingsdivision@azcc.gov, the party will receive all future Procedural and Recommended Orders
15 issued by the Hearing Division in this matter via e-mails to the address provided by the party, unless
16 and until the party withdraws its request. Service of a document via e-mail shall be considered
17 complete upon the sending of an e-mail containing the document to the e-mail address provided by a
18 party, regardless of whether the party receives or reads the e-mail containing the document.

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

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

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

4 DATED this 26th day of February, 2015.



SCOTT M. HESLA
ADMINISTRATIVE LAW JUDGE

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8 Copies of the foregoing mailed
this 26th day of February, 2015, to:

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