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2015 MAY -8 P 2:28

MAY 08 2015

AZ CORP COMMISSION
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6 IN THE MATTER OF THE APPLICATION OF
 7 CHINO MEADOWS II WATER COMPANY, INC.
 7 FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02370A-14-0231

SECOND STIPULATION TO EXTENSION
OF TIME

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9 On June 30, 2014, Granite Mountain Water Company, Inc. ("Granite Mountain" or
 10 "Company") filed with the Arizona Corporation Commission ("Commission") an application for a
 11 rate increase. The application noted that the Company's affiliate Chino Meadows II Water Company
 12 ("Chino Meadows II") also filed a rate application in a separate docket (Docket No. W-02370A-14-
 13 0231) on the same day. Granite Mountain requested that its application be processed and heard
 14 concurrently with Chino Meadows II's application in order to assure that cost allocations will be
 15 consistent in the two cases, and stated that to the extent necessary to accommodate the joint
 16 processing of the two applications, it waives the time clock requirements set by the Commission's
 17 rules.

18 On September 19, 2014, Staff filed a Letter of Sufficiency indicating that Granite Mountain's
 19 application met the sufficiency requirements of Arizona Administrative Code ("A.A.C.") R14-2-103
 20 and classifying Granite Mountain as a Class C Utility.

21 On September 23, 2014, a Procedural Order was issued suspending the time clock in this
 22 matter as agreed to by the Company in order to accommodate the joint processing of this application
 23 with the Chino Meadows II rate application, and setting a procedural conference for October 2, 2014,
 24 for the purpose of discussing the preparation for and conduct of the concurrent proceedings.

25 On October 2, 2014, a procedural conference was convened as scheduled. Granite Mountain,
 26 Chino Meadows II, and Staff appeared through counsel and discussed procedural issues. The parties

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1 agreed that holding consecutive hearings for the two matters would be appropriate. The parties agreed
2 to extended timeframes for discovery in both matters, due to issues associated with both the Granite
3 Mountain and Chino Meadows II applications. Staff stated that it could file its direct testimony
4 during the first week of March. Granite Mountain stated that it could then file its rebuttal testimony
5 during the first week of April.

6 On October 7, 2014, the Hearing Division issued its procedural order, determining that a
7 hearing schedule should be established that accommodates the parties' requests for extended
8 discovery timeframes, and set the following procedural schedule:

Hearing dates	May 5, 2015 & May 6, 2015
Pre-Hearing Conference	April 30, 2015
Intervenors' & Staff Report/Direct Testimony	March 4, 2015
Rebuttal Testimony	April 1, 2015
Surrebuttal Testimony Staff and Intervenors	April 22, 2015
Rejoinder Testimony	April 28, 2015
Issues matrix & Objections to Pre-Filed Testimony	April 30, 2015

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14 On February 18, 2015, , the Hearing Division issued its procedural order granting the time
15 extension requested by the parties in its Stipulation and setting the following schedule for Chino
16 Meadows:

Hearing dates	July 14, 2015
Pre-Hearing Conference	July 8, 2015
Intervenors' & Staff Report/Direct Testimony	May 11, 2015
Rebuttal Testimony	June 8, 2015
Surrebuttal Testimony Staff And Intervenors	June 29, 2015
Rejoinder Testimony	July 6, 2015
Issues matrix & Objections to Pre-Filed Testimony	July 6, 2015

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22 Both Granite Mountain and Chino Meadows II are owned by the same entity/persons. In
23 previous rate cases, the proper allocation of costs and expenses between the two Companies has been
24 an issue, so much so that the Companies were ordered in Decision No.72896 to file their next rate
25 cases using the same test years. Also in that Decision, the necessary construction of a well and
26 storage facility was considered and ordered. Construction has taken longer than originally anticipated
27 and is not completed.

1 The schedule set by the February 18, 2015, Procedural Order was based, in significant part, on
2 the fact that construction of a well, a storage tank and related projects was progressing, but not
3 sufficiently complete to have been placed in service or determined to be used and useful and that,
4 after discussion, the Companies had assured Staff that the projects other than the storage tank would
5 have been completed and all invoices and other documentation provided to Staff no later than April 1,
6 2015. That did not occur.

7 Staff now must prepare testimony that does not include post test year plant (unless the
8 Companies are able to submit the necessary information in a timely fashion) and continues to
9 evaluate the allocations as directed. In order to accomplish this, and given its other time commitments
10 during this period, Staff requires an additional six weeks to prepare its Direct Testimony. This would
11 also allow the Companies the opportunity to complete construction of its pending projects and submit
12 documentation thereof to Staff, though, given the time delays, Staff may still recommend that such
13 post test year plant not be included in rate base.

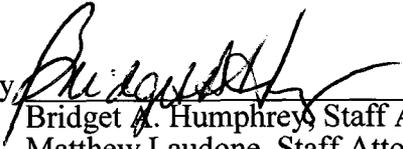
14 Based on the foregoing, Staff and the Companies have agreed that it would be in the interest
15 of judicial economy to extend the dates for filing testimony and all other related calendar events,
16 other than the deadline for interventions, which has already passed, for six weeks. Clearly, the exact
17 dates will depend upon the availability of the Hearing Division and a hearing room, but the proposed
18 changes would be as follows:

Hearing date	August 18, 2015
Pre-Hearing Conference	August 11, 2015
Intervenors' & Staff Report/Direct Testimony	June 22, 2015
Rebuttal Testimony	July 13, 2015
Surrebuttal Testimony Staff And Intervenors	August 3, 2015
Rejoinder Testimony	August 10, 2015
Issues matrix & Objections to Pre-Filed Testimony	August 11, 2015

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1 To the extent that the final schedule to be set herein requires an extension of the time clock,
2 the Parties also stipulate to the same.

3 RESPECTFULLY SUBMITTED this 8th day of May, 2015.

4
5 By 
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7 Matthew Laudone, Staff Attorney
8 Arizona Corporation Commission
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10 Phoenix, Arizona 85007
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9 and

10 By  with permission
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16 Attorney for Chino Meadows II Water Company, Inc.

17 Original and thirteen (13) copies of
18 the foregoing filed this 8th day of
19 May, 2015, with:

20 Docket Control
21 Arizona Corporation Commission
22 1200 West Washington Street
23 Phoenix, Arizona 85007

24 Copy of the foregoing mailed and/or emailed
25 this 6th day of May, 2015, to:

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