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**BEFORE THE ARIZONA CORPORATION COMMISSION
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COMMISSIONERS

Arizona Corporation Commission

DOCKETED

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SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

JUL 02 2015

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY 

IN THE MATTER OF THE APPLICATION OF
GARKANE ENERGY COOPERATIVE, INC. FOR
A DETERMINATION OF THE FAIR VALUE OF
ITS PROPERTY FOR RATEMAKING PURPOSES,
TO FIX A JUST AND REASONABLE RETURN
THEREON, AND TO APPROVE RATES
DESIGNED TO DEVELOP SUCH RETURN AND
REQUEST FOR WAIVER.

DOCKET NO. E-01891A-15-0176

ORIGINAL

RATE CASE PROCEDURAL ORDER

BY THE COMMISSION:

On June 1, 2015, Garkane Energy Cooperative, Inc. ("Garkane") filed with the Arizona Corporation Commission ("Commission") an Application and Request for Waivers requesting that the Commission determine the fair value of Garkane's property for ratemaking purposes; fix a just and reasonable return thereon; approve rates, charges, and tariffs designed to result in such return; approve a Prepaid Service Tariff, a Net Metering Service Tariff, and a Line Extension Policy consistent with terms and conditions applicable to Garkane's Utah member/customers; approve corrected and updated Garkane Electric Service Regulations;¹ grant Garkane a waiver of Commission rules inconsistent with the rates, tariffs, and regulations for which approval is requested, including Arizona Administrative Code ("A.A.C.") R14-2-207, R14-2-2301 *et seq.*, R14-2-203(B), R14-2-209(A), R14-4-210, and R14-2-211; and for purposes of Prepaid Service, grant Garkane a waiver of Garkane Electric Service Regulations 19, 20, 21, 22, 47, 51, and 53.

On June 18, 2015, Garkane filed a Notice of Errata along with a replacement Schedule H-3.

On June 30, 2015, Garkane filed a Notice of Errata along with a replacement Schedule H-2.1.1.

¹ The corrected and updated Garkane Electric Service Regulations appear to have been omitted from Garkane's Application.

1 On June 30, 2015, the Commission's Utilities Division ("Staff") issued a Letter of Sufficiency
2 informing Garkane that, as amended by the replacement schedules, Garkane's application had met the
3 sufficiency requirements outlined in A.A.C. R14-2-103. Staff further stated that Garkane has been
4 classified as a Class B utility.

5 Pursuant to A.A.C. R14-2-103 and R14-3-101 *et seq.*, the Commission now issues this
6 Procedural Order to govern the preparation and conduct of this proceeding.

7 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
8 commence on **March 7, 2016, at 10:00 a.m.**, or as soon thereafter as is practicable, in Hearing Room
9 No. 1 at the Commission's offices, 1200 West Washington, Phoenix, Arizona 85007, and shall
10 continue, as necessary, at **9:00 a.m. on March 8 through 11, 2016.**

11 IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **March 1, 2016,**
12 **at 10:00 a.m.**, at the Commission's offices, for the purpose of scheduling witnesses and discussing
13 the conduct of the hearing.

14 IT IS FURTHER ORDERED that the **direct testimony and associated exhibits (except that**
15 **related to rate design and cost of service)** to be presented at hearing on behalf of Staff or any
16 **intervenor** shall be reduced to writing and filed on or before **December 21, 2015.**

17 IT IS FURTHER ORDERED that the **direct testimony and associated exhibits related to**
18 **rate design and cost of service** to be presented at hearing on behalf of Staff or any intervenor shall
19 be reduced to writing and filed on or before **December 28, 2015.**

20 IT IS FURTHER ORDERED that any **rebuttal testimony and associated exhibits** to be
21 presented at hearing by **Garkane** shall be reduced to writing and filed on or before **January 20,**
22 **2016.**

23 IT IS FURTHER ORDERED that any **surrebuttal testimony and associated exhibits** to be
24 presented at hearing by **Staff or any intervenor** shall be reduced to writing and filed on or before
25 **February 12, 2016.**

26 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits** to be
27 presented at hearing by **Garkane** shall be reduced to writing and filed on or before **February 23,**
28 **2016.**

1 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m. on the date the**
2 **filing is due, unless otherwise indicated.**

3 IT IS FURTHER ORDERED that **each party shall prepare and bring to the pre-hearing**
4 **conference copies of an issues matrix** setting forth all disputed issues in the case, indicating the
5 position of each party on each disputed issue, and indicating whether the disputed issue remains in
6 dispute or has been resolved and in what manner.

7 IT IS FURTHER ORDERED that **any objections to pre-filed testimony or exhibits shall be**
8 **made before or at the March 1, 2016,** pre-hearing conference.

9 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
10 105, except that all requests for intervention must be filed on or before **October 20, 2015.**

11 IT IS FURTHER ORDERED that any **objection to a request for intervention** shall be filed
12 within **7 days** after the filing of request to which the objection applies.

13 IT IS FURTHER ORDERED that any **substantive corrections, revisions, or supplements**
14 **to pre-filed testimony,** with the exception of rejoinder testimony, shall be reduced to writing and
15 filed no later than **March 1, 2016.** Substantive corrections, revisions, or supplements to pre-filed
16 rejoinder testimony shall be reduced to writing and presented on the first day of hearing.

17 IT IS FURTHER ORDERED that any motion filed in this matter, other than a motion to
18 intervene, that is not ruled upon by the Commission within 20 calendar days of the filing date of the
19 motion shall be deemed denied.

20 IT IS FURTHER ORDERED that any response to a motion, other than a motion to intervene,
21 shall be filed within five calendar days of the filing date of the motion.

22 IT IS FURTHER ORDERED that any reply related to a motion shall be filed within five
23 calendar days of the filing date of the response to the motion.

24 IT IS FURTHER ORDERED that **Garkane shall provide public notice** of the hearing in this
25 matter, in the following form and style, with the heading in no less than 14 point bold type and the
26 body in no less than 10 point regular type:

27 ...

28 ...

Arizona Corporation Commission Public Hearing Information

1 The Commission will hold a hearing on this matter beginning **March 7, 2016, at**
2 **10:00 a.m.** at the Commission's offices, Hearing Room #1, 1200 West Washington
3 Street, Phoenix, Arizona 85007. Public comments will be taken on the first day of
4 hearing.

5 Written public comments may be submitted by mailing a letter referencing Docket No.
6 **E-01891A-15-0176** to Arizona Corporation Commission, Consumer Services Section,
7 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the
8 Commission's website (www.azcc.gov) using the "Submit a Public Comment for a
9 Utility" function. If you require assistance, you may contact the Consumer Services
10 Section at 1-800-222-7000.

About Intervention

11 The law provides for an open public hearing at which, under appropriate
12 circumstances, interested persons may intervene. An interested person may be granted
13 intervention if the outcome of the case will directly and substantially impact the
14 person, and the person's intervention will not unduly broaden the issues in the case.
15 Intervention, among other things, entitles a party to present sworn evidence at hearing
16 and to cross-examine other parties' witnesses. However, failure to intervene will not
17 preclude any interested person or entity from appearing at the hearing and providing
18 public comment on the application or from filing written comments in the record of
19 the case.

20 To request intervention, you must file an **original and 13 hard copies** of a written
21 request to intervene with Docket Control, 1200 West Washington, Phoenix, AZ 85007,
22 **no later than October 20, 2015.** You also **must** serve a copy of the request to
23 intervene on each party of record, on the same day that you file the request to intervene
24 with the Commission. Information about intervention and sample intervention requests
25 are available on the Commission's website (www.azcc.gov) using the "Intervention in
26 Utility Cases" link.

27 Your request to intervene must contain the following:

- 28 1. Your name, address, and telephone number, and the name, address, and
telephone number of any person upon whom service of documents is to be made,
if not yourself;
2. A reference to **Docket No. E-01891A-15-0176**;
3. A short statement explaining:
 - a. Your interest in the proceeding (e.g., a customer of the utility, a
shareholder of the utility, etc.),
 - b. How you will be directly and substantially affected by the outcome of the
case, and
 - c. Why your intervention will not unduly broaden the issues in the case;
4. A statement certifying that you have served a copy of the request to intervene on
the utility or its attorney and all other parties of record in the case; and
5. If you are not represented by an attorney who is an active member of the Arizona
State Bar, and you are not representing yourself as an individual, sufficient
information and any appropriate documentation to demonstrate compliance with
Arizona Supreme Court Rules 31, 38, and 42, as applicable.

29 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
30 that all motions to intervene must be filed on or before October 20, 2015. If
31 representation by counsel is required by Arizona Supreme Court Rule 31, intervention
32 will be conditioned upon the intervenor obtaining counsel to represent the intervenor.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its 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 format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail SBernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that **Garkane** shall, on or before **September 4, 2015**, mail a copy of the above notice to each member/customer by first-class U.S. Mail, in a separate mailing or through inclusion with a billing statement or newsletter; publish the notice at least once in a newspaper/s of general circulation within Garkane's service territory; and post the notice on Garkane's website in a conspicuous manner that provides easy access from the homepage.

IT IS FURTHER ORDERED that **Garkane** shall file certifications of mailing, publication, and posting of the above notice on or before **September 25, 2015**.

IT IS FURTHER ORDERED that **Garkane** shall, on or before **August 7, 2015**, file copies of the updated and corrected Garkane Electric Service Regulations referenced in Garkane's Application.

IT IS FURTHER ORDERED that notice shall be deemed complete upon completion of mailing, publication, and posting, notwithstanding the failure of an individual member/customer to read or receive the notice.

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

IT IS FURTHER ORDERED that, as permitted under A.A.C. R14-3-107(B), each party to this matter may **opt to receive service of all filings in this docket**, including all filings by parties and all Procedural Orders and Recommended Opinions and Orders/Recommended Orders issued by the Commission's Hearing Division, **via email** sent to an email address provided by the party **rather than via U.S. Mail**. To exercise this option, a party shall:

1. Ensure that the party has a valid and active email address to which the party has regular and reliable access ("designated email address");
2. Complete a **Consent to Email Service** form, available on the Commission's website (www.azcc.gov);

- 1 3. File the original and 13 copies of the Consent to Email Service form with the
- 2 Commission's Docket Control, also providing service to each party to the service list;
- 3 4. Send an email, containing the party's name and the docket number for this matter, to
- 4 HearingDivisionServicebyEmail@azcc.gov from the designated email address, to
- 5 allow the Hearing Division to verify the validity of the designated email address;
- 6 5. Understand and agree that service of a document on the party shall be complete upon
- 7 the sending of an email containing the document to the designated email address,
- 8 regardless of whether the party receives or reads the email containing the document;
- 9 and
- 10 6. Understand and agree that the party will no longer receive service of filings in this
- 11 matter through First Class U.S. Mail or any other form of hard-copy delivery, unless
- 12 and until the party withdraws this consent through a filing made in this docket.

13 IT IS FURTHER ORDERED that a party's **consent to email service** shall not become
14 effective until a **Procedural Order** is issued approving the use of email service for the party. The
15 Procedural Order shall be issued only after the party has completed steps 1 through 4 above, and the
16 Hearing Division has verified receipt of an email from the party's designated email address.

17 IT IS FURTHER ORDERED that a party's election to receive service of all filings in this
18 matter via email does not change the requirement that **all filings with the Commission's Docket**
19 **Control must be made in hard copy and must include an original and 13 copies.**

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*.

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

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

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

6 DATED this 2nd day of July, 2015.

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SARAH N. HARPRING
ADMINISTRATIVE LAW JUDGE

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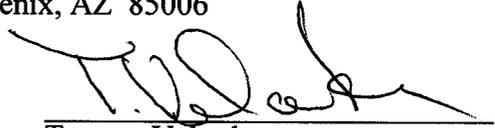
11 Copies of the foregoing mailed
12 this 2nd day of July, 2015 to:

13 William P. Sullivan
14 Morgan R. Holmes
15 Curtis, Goodwin, Sullivan, Udall & Schwab,
16 P.L.C.
17 501 East Thomas Road
18 Phoenix, AZ 85012-3205
19 Attorneys for Garkane Energy Cooperative,
20 Inc.

21 Janice Alward, Chief Counsel
22 Legal Division
23 ARIZONA CORPORATION COMMISSION
24 1200 West Washington Street
25 Phoenix, AZ 85007

26 Steven M. Olea, Director
27 Utilities Division
28 ARIZONA CORPORATION COMMISSION
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26
27 By: 
28 Tammy Velarde
Assistant to Sarah N. Harpring