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BEFORE THE ARIZONA CORPORATION COMMISSION
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AZ CORP COMMISSION
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Arizona Corporation Commission
DOCKETED
OCT 09 2015

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DOCKET NO. W-01815A-14-0173

IN THE MATTER OF THE APPLICATION OF
GOLDEN SHORES WATER COMPANY FOR
APPROVAL OF A RATE INCREASE.

PROCEDURAL ORDER
(Sets Procedural Conference)

BY THE COMMISSION:

On June 2, 2014, Golden Shores Water Company, Inc. ("Golden Shores") filed with the Arizona Corporation Commission ("Commission") an application¹ 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 ("Rates Docket").² Golden Shores' application used a test year ("TY") ending December 31, 2013. Golden Shores' customers are almost exclusively residential customers served by 5/8" x 3/4" water meters.

On June 10, 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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¹ Golden Shores completed a rate application for water companies with annual gross operating revenues of less than \$250,000.

² 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 ("A.A.C.")
3 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 testimony
6 by December 26, 2014 and January 12, 2015, respectively, and other procedural deadlines were
7 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 Golden Shores needed to file an application for the approval of
17 financing. Staff stated the financing application should be filed before Staff filed its direct testimony
18 in the rate case and, as a result of that delay, Golden Shores would need to update the TY for its
19 permanent rate application, from a TY ending December 31, 2013 to a TY ending December 31, 2014.
20 The updated application would require Golden Shores to submit 2014 bill counts for all meter sizes,
21 2014 balance sheet and income statements, as well as other updated 2014 data. Staff believed Golden
22 Shores would need six months to provide the additional information, which should be accomplished
23 by June 30, 2015. Therefore, Staff requested that the timeclock in this docket be suspended, and that
24 the timeclock be reinstated upon Golden Shores' filing of updated TY information and Golden Shores'
25 filing a financing application.

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

1 On December 16, 2014, by Procedural Order, the procedural schedule was vacated and the
2 timeclock was suspended.

3 Effective January 16, 2015 per the Notice of Final Rulemaking, A.A.C. R14-2-103 was
4 amended by, among other items, updating the annual in-state operating revenue thresholds that classify
5 utilities as A, B, C, D, or E.

6 On February 10, 2015, the hearing convened for purposes of taking public comment only.

7 On May 26, 2015, Golden Shores filed its financing application in Docket No. W-01815A-15-
8 0166 ("Finance Docket").

9 On July 9, 2015, Golden Shores filed its Amended Rate Application with a TY of 2014,
10 reporting total annual operating revenues if granted a rate adjustment of \$677,935.58. Such annual
11 operating revenues, inclusive of the requested rate relief, would render Golden Shores a Class D Utility
12 under the new rules.

13 On July 21, 2015, one customer comment in support of the application was docketed.

14 On August 7, 2015, Staff issued a Letter of Deficiency.

15 On September 3 and September 30, 2015, Golden Shores filed its responses to Staff's Data
16 Requests.

17 On October 5, 2015, Staff filed its Motion to Reinstate the Timeclock.

18 Accordingly, a procedural conference should be scheduled to discuss an appropriate procedural
19 schedule to be followed in this matter as well as the prudence of consolidating the Rates Docket and
20 the Finance Docket. Additionally, the parties should be prepared to discuss whether the current version
21 of A.A.C. R14-2-103 should apply to Golden Shores' amended application, negating the requirement
22 for a hearing, or whether the application should be processed under the rules that were effective at the
23 time the original rate application was filed, necessitating an evidentiary hearing.

24 IT IS THEREFORE ORDERED that a **procedural conference** in the above-captioned matter
25 shall commence on **October 22, 2015, at 10:00 a.m.**, or as soon thereafter as is practical at the
26 Commission's offices, 1200 West Washington Street, Hearing Room No. 1, Phoenix, Arizona 85007.

27 IT IS FURTHER ORDERED that timeclock in this matter remains suspended.
28

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

4 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
5 31, 38, and 42 and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.³

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

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

- 17 1. Ensure that the party has a valid and active email address to which the party has regular
18 and reliable access ("designated email address");
- 19 2. Complete a Consent to Email Service form, available on the Commission's website
20 (www.azcc.gov);
- 21 3. File the original and 13 copies of the Consent to Email Service form with the
22 Commission's Docket Control, also providing service to each party to the service list;

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26 ³ 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)(28). The Commission requires
entities to docket evidence of board authorization.

1 Copies of the foregoing mailed/delivered
this 9th day of October, 2015 to:

2 Mark Sparks
3 GOLDEN SHORES WATER COMPANY
4 P.O. Box 37
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5 Janice Alward, Chief Counsel
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13
14 By: 
15 Tammy Valarde
Assistant to Sasha Paternoster