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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission  
Chairman

DOCKETED

OCT 20 2015

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AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED BY [Signature]

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

DOCKET NO. W-01815A-14-0173

**PROCEDURAL ORDER**  
**(Granting Request to Appear**  
**Telephonically)**

BY THE COMMISSION:

On June 2, 2014, Golden Shores Water Company, Inc. ("Golden Shores") 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 ("Rates Docket").<sup>2</sup> 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.

<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 ("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 On October 9, 2015, by Procedural Order, a procedural conference was scheduled for October  
19 22, 2015, to discuss Staff's Motion to Reinstate the Timeclock as well as whether the current version  
20 of A.A.C. R14-2-103 should apply to Golden Shores' amended application, negating the requirement  
21 for a hearing, or whether the application should be processed under the rules that were effective at the  
22 time the original rate application was filed, necessitating an evidentiary hearing.

23 On October 20, 2015, Golden Shores filed a request to appear telephonically ("Request") for  
24 the October 22, 2015 procedural conference, stating that the cost of travel to the hearing and the need  
25 for immediate repairs to a well prohibited them from attending in person. The Request also stated that  
26 Staff had no objection to Golden Shores appearing telephonically.

27 Accordingly, Golden Shores' Request should be granted.  
28

1 IT IS THEREFORE ORDERED that Golden Shores is hereby authorized to appear  
2 telephonically at the October 22, 2015, procedural conference.

3 IT IS FURTHER ORDERED that on the date of and at least five minutes before the time set  
4 for the hearing, Golden Shores shall call 1 (800) 689-9374, passcode 415962#, from a landline  
5 telephone, to participate telephonically in the procedural conference.

6 IT IS FURTHER ORDERED that the timeclock in this matter remains suspended.

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

10 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules  
11 31, 38, and 42 and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.<sup>3</sup>

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

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

- 23 1. Ensure that the party has a valid and active email address to which the party has regular  
24 and reliable access ("designated email address");

25 \_\_\_\_\_  
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)(28). The Commission requires  
entities to docket evidence of board authorization.

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

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

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

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

24 ...  
25 ...  
26 ...  
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1 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or  
2 waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at  
3 hearing.

4 DATED this 20<sup>th</sup> day of October, 2015.

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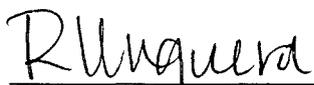
  
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SASHA PATERNOSTER  
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered  
this 20<sup>th</sup> day of October, 2015 to:

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By:   
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