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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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

AUG 10 2015

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY

DOCKET NO. E-01773A-12-0305

IN THE MATTER OF THE APPLICATION OF ARIZONA ELECTRIC POWER COOPERATIVE, INC. FOR A HEARING TO DETERMINE 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.

ORIGINAL

PROCEDURAL ORDER
(Continues Hearing on ECAR Application)

BY THE COMMISSION:

On July 5, 2012, Arizona Electric Power Cooperative, Inc. ("AEPCO") filed with the Arizona Corporation Commission ("Commission") an application for a rate decrease. Intervention was granted to Trico Electric Cooperative, Inc., Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC"), and Mohave Electric Cooperative, Inc. ("MEC").

Following a hearing on the rate application, on October 25, 2013, the Commission issued Decision No. 74173. Among other things, Decision No. 74173 ordered the record in this case to be held open until April 30, 2014, for the limited purpose of allowing AEPCO, after collaborating with the Commission's Utilities Division ("Staff"), to file for Commission approval a proposed Environmental Compliance Adjustment Rider ("ECAR") and plan of administration fully addressing the technical points raised by Staff in the rate proceeding. Due to the possibility for significant rate increases to be passed on to the customers of AEPCO's Class A member distribution cooperatives ("Members") through an ECAR surcharge, Decision No. 74173 also ordered AEPCO, if it chose to file an ECAR application, to provide notice of its filing to the retail customers of its Members, in a form acceptable to Staff.

On April 30, 2014, AEPCO filed in this docket an Application for Approval of the ECAR Plan of Administration and Tariff ("ECAR Application").

On May 7, 2015, following a procedural history detailed in prior Procedural Orders, a

1 Procedural Order was issued setting the matter for hearing on August 24, 2015, and setting associated
2 procedural deadlines, including the provision of notice of the ECAR Application and hearing to the
3 customers of AEPCO's Members.

4 On June 19, 2015, AEPCO filed the Direct Testimony of its witnesses Peter Scott and Joe
5 King.

6 On July 21, 2015, AEPCO filed its Affidavits of Publication and/or Mailing in conformance
7 with the requirements of the May 7, 2015, Procedural Order.

8 On July 24, 2015, Staff filed a Request for Procedural Conference. Therein, Staff stated that
9 Staff's witness in this matter was called for jury duty and selected as a juror in a criminal case in the
10 Maricopa County Superior Court, which required her absence from employment for approximately
11 three weeks. Staff stated that its witness's jury service was complete, but that she has a backlog of
12 work on her assigned cases, and was unable to timely prepare her testimony in this matter due to the
13 requirements of long-term jury duty. Staff requested an extension of time that would necessarily
14 require rescheduling of all deadlines in this case, including a continuance of the hearing.¹ Staff stated
15 that AEPCO had agreed to the scheduling of a procedural conference for the purpose of discussing
16 Staff's requested modification of the procedural schedule.

17 On July 27, 2015, a Procedural Order was issued setting a procedural conference for the
18 purpose of discussing Staff's requested modification of the procedural schedule in this matter.

19 On August 5, 2015, a procedural conference convened as scheduled. AEPCO, MEC, and
20 Staff appeared through counsel. Staff stated that in addition to its requested schedule changes, the
21 current hearing date of August 24, 2015, should be retained for public comment, as AEPCO had
22 already publicly noticed that date. AEPCO stated that it is concerned with a delay in this proceeding,
23 but understands Staff's need for additional time to prepare testimony. The parties discussed their

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25 ¹ In its Request, Staff proposed the following modifications to the existing Procedural Schedule:

- 26 • Staff's direct testimony and associated exhibits – August 21, 2015
- 27 • Intervenors' direct testimony and associated exhibits – September 4, 2015
- 28 • AEPCO's rebuttal testimony and associated exhibits – September 17, 2015
- Pre-hearing conference – September 18, 2015
- Objection to pre-filed testimony or exhibits – September 18, 2015 (the Prehearing Conference)
- Hearing – September 29, 2015, with additional days of September 30 and October 1, 2015, if necessary.

1 availability for a hearing during the first and second weeks of October.

2 There has been good cause shown for Staff's requested extension of time to file its testimony,
3 and for the resulting hearing continuance. The currently scheduled, and publicly noticed, hearing
4 commencement date and time of August 24, 2015, at 10:00 a.m. should be retained for the taking of
5 public comment on the ECAR Application.

6 No intervention requests were received by the August 7, 2015, intervention deadline
7 established by the May 7, 2015, Procedural Order.

8 The hearing schedule in this matter should be modified as set forth in the Ordering Paragraphs
9 below.

10 IT IS THEREFORE ORDERED that the pre-hearing conference currently scheduled to be
11 held on **August 21, 2015, is hereby vacated.**

12 IT IS FURTHER ORDERED that the **hearing** on the request by Arizona Electric Power
13 Cooperative, Inc. for authority to implement its proposed Environmental Compliance Adjustment
14 Rider and Plan of Administration currently scheduled to commence on **August 24, 2015, is hereby**
15 **continued to** commence on **October 7, 2015, at 10:00 a.m.**, or as soon thereafter as practicable, at
16 the Commission's offices, 1200 West Washington Street, **Hearing Room No. 1**, Phoenix, Arizona
17 85007. If additional days of hearing are necessary, the hearing will continue at 9:30 a.m. on October
18 8, 2015, and 9:30 a.m. on October 9, 2015, at the same location.

19 IT IS FURTHER ORDERED that a **public comment hearing** shall be convened on **August**
20 **24, 2015, at 10:00 a.m.**, or as soon thereafter as practicable, at the Commission's offices, 1200 West
21 Washington Street, **Hearing Room No. 1**, Phoenix, Arizona 85007, **solely for the purpose of taking**
22 **public comment** on the request by Arizona Electric Power Cooperative, Inc. for authority to
23 implement its proposed Environmental Compliance Adjustment Rider and Plan of Administration.

24 IT IS FURTHER ORDERED that the parties are excused from attendance at the public
25 comment hearing.

26 IT IS FURTHER ORDERED that a pre-hearing conference shall be held on **October 2, 2015,**
27 **commencing at 2:00 p.m.**, at the Commission's Phoenix offices, for the purpose of scheduling
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1 witnesses and the conduct of the hearing.

2 IT IS FURTHER ORDERED that the **direct testimony** and associated exhibits to be
3 presented at hearing **on behalf of Staff** shall be reduced to writing and filed on or before **August 28,**
4 **2015.**

5 IT IS FURTHER ORDERED that the **direct testimony** and associated exhibits to be
6 presented at hearing **on behalf of intervenors** shall be reduced to writing and filed on or before
7 **September 11, 2015.**

8 IT IS FURTHER ORDERED that the **rebuttal testimony and associated exhibits to be**
9 **presented at hearing by AEPCO** shall be reduced to writing and filed on or before **September 29,**
10 **2015.**

11 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m. on the date the**
12 **filing is due.**

13 IT IS FURTHER ORDERED that any **objections to testimony or exhibits that have been**
14 **prefiled as of September 29, 2015, shall be made before or at the October 2, 2015, prehearing**
15 **conference.**

16 IT IS FURTHER ORDERED that all other procedural deadlines set forth in the May 7, 2015,
17 Procedural Order remain in effect.

18 IT IS FURTHER ORDERED that, as permitted under A.A.C. R14-3-107(B), each party to
19 this matter may opt to receive service of all filings in this docket, including all filings by parties and
20 all 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
24 regular and reliable access ("designated email address");
- 25 2. Complete a Consent to Email Service form, available on the Commission's website
26 (www.azcc.gov);

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

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

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

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.

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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 10th day of August, 2015.

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8 TEENA JIBILIAN
ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered
this 10th day of August, 2015 to:

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