

ORIGINAL

OPEN MEETING AGENDA IT



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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF
UTILITY SOURCE, LLC, AN ARIZONA
CORPORATION, FOR A DETERMINATION OF
THE FAIR VALUE OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN ITS
WATER AND WASTEWATER RATES AND
CHARGES FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO. WS-04235A-13-0331

PROCEDURAL ORDER
(Modifies Procedural Schedule)

BY THE COMMISSION:

On September 27, 2013, Utility Source, LLC (“Utility Source” or “Company”) filed with the Arizona Corporation Commission (“Commission”) an application for a determination of the current fair value of its utility plants and property and for increases in its rates and charges for water and wastewater utility service provided to customers in the Company’s service area in Coconino County, Arizona.

On February 17, 18, and 19, 2015, a full public hearing on the application was convened as scheduled, with the Company, the Commission’s Utilities Division (“Staff”), and the Residential Utility Consumer Office (“RUCO”) appearing through counsel, and Mr. Nielsen and Mr. Fallon appearing *pro se*.

On August 24, 2015, the Commission’s Hearing Division issued a Recommended Opinion and Order (“ROO”) recommending approval of an increase to the Company’s water and wastewater rates and charges, subject to certain terms and conditions.¹

On September 8, 2015, at the scheduled Open Meeting, the Commission voted in favor of holding this matter over for further consideration. The Commission also directed the Hearing Division

¹ The procedural history for this case is more fully stated in the August 24, 2015 ROO, and is incorporated herein by reference.

1 to convene a procedural conference for the purposes of scheduling an additional evidentiary hearing
2 and discussing the scope of that proceeding.

3 On September 8, 2015, a Procedural Order was issued scheduling a procedural conference to
4 commence on September 15, 2015.

5 On September 15, 2015, a procedural conference was held as scheduled, with the Company,
6 Staff, and RUCO appearing through counsel, and Mr. Nielsen and Mr. Fallon appearing *pro se*.² At
7 that time, a discussion occurred regarding the issues to be addressed at the additional evidentiary
8 hearing as well as an appropriate procedural schedule to govern that proceeding.

9 On September 15, 2015, a Procedural Order was issued scheduling hearing dates and
10 establishing various filing deadlines.

11 On September 15, 2015, Staff filed a Notice of Settlement Discussion stating that settlement
12 discussions would commence on September 21, 2015.

13 On September 28, 2015, Staff filed a Request for Modification to the Procedural Schedule
14 stating that the parties need additional time to consider the details of a potential settlement agreement.
15 In its filing, Staff requested the following deadline extensions: that the filing of any settlement
16 agreement be extended from September 28, 2015 to October 2, 2015; and that the filing of direct
17 testimony in support of any settlement agreement be extended from October 6, 2015 to October 9,
18 2015.

19 On October 1, 2015, a Procedural Order was issued granting Staff's request.

20 On October 2, 2015, the Company filed a Request for Additional Time to Conclude Settlement
21 Discussions. In its filing, the Company indicates that additional time is needed to accommodate
22 ongoing settlement discussions and requests that the current settlement filing schedule be vacated. In
23 the event that a settlement is reached by all parties, the Company states that it will submit a proposed
24 filing schedule on or before October 14, 2015. In addition, the Company requests that the hearing date
25 for any settlement agreement be preserved for the purposes of discussing scheduling and other
26 procedural matters.

27

28 ² Mr. Nielsen and Mr. Fallon attended telephonically.

1 The Company's request is reasonable under the circumstances and should be granted.

2 IT IS THEREFORE ORDERED that the deadlines for filing **any settlement agreement** and
3 **direct testimony** and associated exhibits **in support of any settlement agreement are hereby**
4 **vacated.**

5 IT IS FURTHER ORDERED that the hearing date scheduled for **October 14, 2015** shall be
6 preserved for the purpose of convening a **procedural conference**, regardless of whether the parties
7 have reached a settlement.³

8 IT IS FURTHER ORDERED that, in the event that a settlement agreement is reached by all
9 parties, the Company shall file a **proposed settlement schedule** on or before **October 14, 2015.**

10 IT IS FURTHER ORDERED that, in all other respects, the Procedural Order dated September
11 15, 2015, shall remain in full force and effect.

12 IT IS FURTHER ORDERED that the **timeclock** for this matter remains suspended.

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

16 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
17 31, 38, 42 and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.

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

24 ...

25 ...

26 ...

27

28 ³ Mr. Nielsen and Mr. Fallon may attend the procedural conference telephonically.

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 5th day of October, 2015.



SCOTT M. HESLA
ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered
10 this 5th day of October, 2015, to:

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