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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

2015 NOV -3 P 3: 08

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED

NOV 03 2015

DOCKETED BY *[Signature]*

IN THE MATTER OF THE APPLICATION OF
ARROYO WATER COMPANY LLC FOR
APPROVAL OF AN EMERGENCY INCREASE IN
RATES.

DOCKET NO. W-02593A-15-0339

PROCEDURAL ORDER
(Transfers All Filings to Docket No. W-04286A-15-0339 and Schedules Hearing)

BY THE COMMISSION:

On September 28, 2015, Arroyo Water Company LLC ("Arroyo" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for approval of an emergency rate increase.

On the same date, Management Systems LLC dba Jakes Corner Water Systems ("JCWS") filed, in Docket No. W-20935A-15-0338, an application with the Commission for approval of an emergency rate increase. Arroyo and JCWS are both owned by Management Systems LLC.

On September 30, 2015, by Procedural Order, a procedural conference was scheduled to commence on October 15, 2015, to discuss scheduling and other procedural issues associated with both emergency rate case applications.

On October 15, 2015, a procedural conference was held as scheduled. Staff appeared through counsel and Mr. Michael Armstead, managing member of Management Systems LLC and president of Arroyo, appeared on behalf of Arroyo and JCWS, to discuss scheduling the hearings and the timing for filing the Staff Reports and responses thereto. During the procedural conference, Staff stated it would file its Staff Reports on the two emergency rates cases on or before November 16, 2015. Mr. Armstead agreed to file responses to the Staff Reports on or before November 30, 2015. Staff and the Company agreed to a December 7, 2015 hearing date and that Arroyo's and JCWS' emergency rate case applications would be heard consecutively on the same date.

1 During the procedural conference, Staff explained that although Arroyo's emergency rate case
2 application had been filed using the company identification number W-02593A, Staff's research of the
3 Commission's records revealed that no Certificate of Convenience and Necessity ("CC&N") had been
4 issued to Arroyo using this company identification number. Staff stated that Arroyo's CC&N
5 application had been filed using the company identification number W-04286A, and that the
6 Commission approved Arroyo's CC&N in Decision No. 70206 (March 20, 2008).¹ Therefore, Staff
7 requested that Arroyo's rate case application in this docket (and all further filings) be transferred to a
8 docket using the correct company identification number W-04286A. Staff also stated that pursuant to
9 Decision No. 70206, it appears that Arroyo intended to operate as a corporation, rather than an
10 individual or sole proprietorship, but that the caption in Arroyo's CC&N case still reads:

11 In the Matter of the Application of Kacy Parker dba Arroyo Water Company for a Certificate
12 of Convenience and Necessity to Provide Water Service and for Approval of the Sale of Assets
to Kacy Parker.

13 Therefore, Staff further requested that the new docket, with the correct company identification number,
14 reflect the correct Company name of Arroyo Water Company LLC.

15 On October 22, 2015, Staff filed a pleading memorializing its request to transfer this emergency
16 rate case application (and all further filings) to a new docket, reflecting Arroyo's correct company
17 identification number of W-04286A and that the new docket identify Arroyo Water Company LLC, as
18 the applicant.

19 It is appropriate to grant Staff's request and direct the Commission's Docket Control Center to
20 transfer all filings in the above-captioned rate case matter to Docket No. W-04286A-15-0339, and to
21 change the company name associated with company identification number W-04286A to Arroyo Water
22 Company LLC. It is also appropriate to set this matter for hearing.

23 IT IS THEREFORE ORDERED that **the Commission's Docket Control is directed to**
24 transfer the above-captioned emergency rate application and all other documents to Docket No. W-
25 04286A-15-0339.

26 IT IS FURTHER ORDERED that the Commission's Docket Control is directed to change the
27

28 ¹ Issued in Docket No. W-04286A-04-0774.

1 company name associated with company identification number W-04286A from Kacy Parker dba
2 Arroyo Water Company to Arroyo Water Company LLC.

3 IT IS FURTHER ORDERED that upon transfer of the all filings in the above-captioned
4 emergency rate case to Docket No. W-04286A-15-0339, this docket shall be administratively closed.

5 IT IS FURTHER ORDERED **that a hearing on Arroyo's application for an emergency rate**
6 **increase shall commence on December 7, 2015, at 10:00 a.m.,** at the Commission's Phoenix Offices,
7 Hearing Room No. 1, 1200 W. Washington St., Phoenix, Arizona 85007.

8 IT IS FURTHER ORDERED that **Staff shall file, in Docket No. W-04286A-15-0339, its Staff**
9 **Report in this matter on or before November 16, 2015.**

10 IT IS FURTHER ORDERED that **the Company and/or intervenors shall file, in Docket No.**
11 **W-04286A-15-0339 any Response to the Staff Report on or before November 30, 2015.**

12 IT IS FURTHER ORDERED that any Reply by Staff or additional testimony by the Company
13 will be taken verbally during the hearing.

14 IT IS FURTHER ORDERED that **Arroyo shall provide public notice of the hearing** in this
15 matter in the following form and style:

16 **PUBLIC NOTICE OF THE HEARING**
17 **ON THE APPLICATION OF**
18 **ARROYO WATER COMPANY LLC FOR**
19 **AN EMERGENCY RATE INCREASE,**
20 **DOCKET NO. W-04286A-15-0339**

21 On September 28, 2015, Arroyo Water Company LLC ("Company") filed an application
22 with the Arizona Corporation Commission ("Commission") for approval of an
23 emergency rate increase. The Company is requesting an emergency increase in rates to
24 cover repairs to its water system. The Company requests emergency rate relief in the
25 amount of \$72,000.

26 **The Commission's Utilities Division ("Staff") is in the process of evaluating the**
27 **Company's request, and will file its recommendation in this matter by November**
28 **16, 2015. The Commission is not bound by the proposals made by the Company,**
Staff or possible intervenors, and the Commission may approve the amount of the
request, modify the amount (higher or lower), or deny the request.

The Commission will conduct a hearing on this matter on December 7, 2015,
commencing at 10:00 a.m., at the Commission's Phoenix offices, Hearing Room
No. 1, 1200 West Washington, Phoenix 85007. Written public comments may be
submitted by mailing a letter referencing Docket No. W-04286A-15-0339 to Arizona
Corporation Commission, Consumer Services Section, 1200 West Washington,
Phoenix, AZ 85007, or by submitting comments on the Commission's website

1 (www.azcc.gov) using the "Submit a Public Comment for a Utility" function. If you
2 require assistance, you may contact the Consumer Services Section at 602-542-4251 or
3 1-800-222-7000.

4 Copies of the parties' filings are available for public inspection during regular business
5 hours at Arroyo's offices located at [Insert Address], and at the Commission's Docket
6 Control Center at 1200 West Washington Street, Phoenix, Arizona 85007. All
7 documents filed in this matter are also available on the Commission's website
8 (www.azcc.gov) using the e-Docket function and entering Docket No. W-04286A-15-
9 0339.

10 The law provides for an open public hearing at which, under appropriate circumstances,
11 interested parties may intervene. Any person or entity entitled by law to intervene and
12 having a direct and substantial interest in the matter will be permitted to intervene.
13 Anyone who wishes to intervene must file an original and 13 copies of a written motion
14 to intervene with the Commission's Docket Control Center no later than **November 23,**
15 **2015**, and send a copy of the motion to the Company or its counsel and to all parties of
16 record. Your motion to intervene must contain the following:

- 17 1. Your name, address, and telephone number and the name, address, and
18 telephone number of any person upon whom service of documents is to be
19 made, if not yourself;
- 20 2. The docket number for the case: W-04286A-15-0339;
- 21 3. A short statement explaining:
 - 22 a. Your interest in the proceeding (e.g. a customer or potential customer
23 of the Company, a member or shareholder of the Company, etc.);
 - 24 b. How you will be directly and substantially affected by the outcome of
25 the case; and
 - 26 c. Why your intervention will not unduly broaden the issues in the case;
- 27 4. A statement certifying that you have served a copy of the motion to intervene
28 on the Company or its counsel and on 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.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
that all motions to intervene must be filed on or before **November 23, 2015**. If
representation by counsel is required by Arizona Supreme Court Rule 31, intervention
will be conditioned upon the intervenor obtaining counsel to represent the intervenor.
Information about intervention is available on the Commission's at www.azcc.gov,
through the "Intervention in Utility Cases" function. The granting of intervention,
among other things, entitles a party to present sworn evidence at the hearing and to
cross-examine other witnesses. However, failure to intervene will not preclude any
interested person or entity from appearing at the hearing and providing public comment
or from filing written comments in the record of the case.

1 The Commission does not discriminate on the basis of disability in admission to its
2 public meetings. Persons with a disability may request a reasonable accommodation,
3 such as a sign language interpreter, as well as request this document in an alternative
4 format, by contacting the ADA Coordinator, Shaylin Bernal, e-mail sabernal@azcc.gov,
5 voice phone number 602-542-3931. Requests should be made as early as possible to
6 allow time to arrange the accommodation.

7 **IT IS FURTHER ORDERED that Arroyo Water Company LLC shall mail, by first-class**
8 **U.S. Mail, to each customer a copy of this notice to begin as soon as possible, and to be completed**
9 **on or before November 13, 2015.**

10 **IT IS FURTHER ORDERED that Arroyo Water Company LLC, shall file a certification of**
11 **mailing of the above notice as soon as practical, but no later than November 30, 2015.**

12 **IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing,**
13 **notwithstanding the failure of an individual customer to read or receive the notice.**

14 **IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-**
15 **105, except that all motions to intervene must be filed on or before November 23, 2015.**

16 **IT IS FURTHER ORDERED that objections to intervention shall be filed on or before**
17 **November 30, 2015.**

18 **IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 – Unauthorized**
19 **Communications) applies to this proceeding as the matter is now set for public hearing.**

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

22 **IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules**
23 **31, 38, and 42, and A.R.S. §40-243 with respect to practice of law and admission *pro hac vice*.**

24 **IT IS FURTHER ORDERED that, as permitted under A.A.C. R14-3-107(B), each party to this**
25 **matter may opt to receive service of all filings in this docket, including all filings by parties and all**
26 **Procedural Orders and Recommended Opinions and Orders/Recommended Orders issued by the**
27 **Commission’s Hearing Division, via email sent to an email address provided by the party rather than**
28 **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”);

- 1 2. Complete a Consent to Email Service form, available on the Commission's website
2 (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 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.

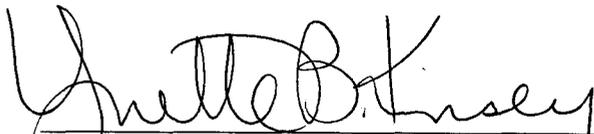
19 IT IS FURTHER ORDERED that a party's election to receive service of all filings in this matter
20 via email does not change the requirement that all filings with the Commission's Docket Control must
21 be made in hard copy and must include an original and 13 copies.

22 IT IS FURTHER ORDERED that 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.

28 ...

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 3rd day of November, 2015.

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8 YVETTE B. KINSEY
ADMINISTRATIVE LAW JUDGE

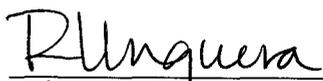
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10 Copies of the foregoing mailed/emailed
this 3rd day of November, 2015 to:

11 Michael Armstead
12 ARROYO WATER COMPANY LLC
13 211 W. Saddle Lane
14 Payson, AZ 85541
15 ymepayson@msn.com

16 Janice Alward, Chief Counsel
17 Legal Division
18 ARIZONA CORPORATION COMMISSION
19 1200 West Washington Street
Phoenix, AZ 85007

20 Thomas Broderick, Director
21 Utilities Division
22 ARIZONA CORPORATION COMMISSION
23 1200 West Washington Street
24 Phoenix, AZ 85007

25 COASH & COASH, INC.
26 Court Reporting, Video and Videoconferencing
27 1802 North 7th Street
28 Phoenix, AZ 85006

By: 
Rebecca Unquera
Assistant to Yvette B. Kinsey