

ORIGINAL



0000168095

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

2016 FEB -4 P 2: 38

- DOUG LITTLE - Chairman
- BOB STUMP
- BOB BURNS
- TOM FORESE
- ANDY TOBIN

FEB 4 2016

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY	<i>[Signature]</i>
-------------	--------------------

IN THE MATTER OF THE APPLICATION OF ASH FORK DEVELOPMENT ASSOCIATION, INC., DBA ASH FORK WATER SERVICE FOR A RATE INCREASE.

DOCKET NO. W-01004B-15-0313

IN THE MATTER OF THE APPLICATION OF ASH FORK DEVELOPMENT ASSOCIATION, INC. DBA ASH FORD WATER SERVICE FOR APPROVAL OF A FINANCING APPLICATION.

DOCKET NO. W-01004B-15-0342

PROCEDURAL ORDER

BY THE COMMISSION:

On September 1, 2015, in Docket No. W-01004B-15-0313 ("Rate Docket"), Ash Fork Development Association, Inc. d/b/a Ash Fork Water Service ("Ash Fork" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a permanent rate increase.

On September 30, 2015, in Docket No. W-01004B-15-0342 ("Financing Docket"), Ash Fork filed an application requesting authorization to incur long-term debt from the Water Infrastructure Finance Authority of Arizona ("WIFA") in an amount not to exceed \$150,000 for the purpose of constructing an arsenic treatment plant at Well No. 2.

On October 1, 2015, in the Rate Docket, the Commission's Utilities Division ("Staff") filed a Letter of Deficiency stating that the rate application did not meet the sufficiency requirements outlined in Arizona Administrative Code ("A.A.C.") R14-2-103.

On October 8, 2015, in both dockets, Ash Fork filed letters certifying that notices of the rate application and financing application were mailed to all customers of record by means of an insert in their October water bill.

On October 15, 2015, in the Rate Docket, Ash Fork filed an amendment to its rate application.

On October 27, 2015, in the Rate Docket, Staff filed a Letter of Sufficiency stating that the rate application, as amended, had met the sufficiency requirements outlined in A.A.C. R14-2-103, and

1 classifying Ash Fork as a Class D Utility.

2 On December 9, 2015, Staff filed a Motion to Consolidate in each of the two dockets, requesting
3 a procedural order to consolidate the Rate Docket and Financing Docket. According to Staff, the issues
4 presented in both dockets are directly related and consolidation would conserve resources. The
5 Company did not file an objection to the motion.

6 On December 11, 2015, in the Rate Docket, Ash Fork filed an amendment to its rate application.

7 On December 21, 2015, a Procedural Order was issued consolidating the Rate Docket and
8 Financing Docket.

9 On January 11, 2016, Staff filed its Staff Report recommending approval of the applications,
10 subject to certain terms and conditions.

11 On January 25, 2016, the Company filed its comments to the Staff Report requesting Staff to
12 provide a response thereto.

13 The Company's request for Staff to provide a response to the Company's filed comments is
14 reasonable and should be granted.

15 IT IS THEREFORE ORDERED that **Staff shall file a Reply** no later than **February 19, 2016**,
16 to address the following topics:

- 17 • Provide a response to the Company's question regarding whether Staff's adjustments to test
18 year revenues were calculated based on retail levels or at cost;
- 19 • Provide a response to the Company's question regarding why Staff's recommended
20 monthly usage charges vary across meter sizes;
- 21 • Provide a response to the Company's stated concern that the Staff Report did not adequately
22 analyze bulk water sales;
- 23 • Provide a response to the Company's question regarding how the Arsenic Surcharge
24 Mechanism applies to the bulk water and standpipe users;
- 25 • Provide a response to the Company's question regarding why Staff did not consider plant
26 identified in the Company's three-year capital improvement plan;
- 27 • Provide a response to the Company's question regarding why Staff did not discuss or
28 comment on the possibility of a residential standpipe rate;

- 1 • Provide a response to the Company's assertion that both wells have a combined pumping
- 2 capacity of 126 gallons per minute ("GPM");
- 3 • Provide a response to the Company's question regarding whether Staff considered sales tax
- 4 in the formulation of Staff's recommended rates for bulk water and standpipe users;
- 5 • Any other comments raised by the Company that Staff wishes to address; and
- 6 • Staff should include any revised schedules as necessary.

7 IT IS FURTHER ORDERED that the timeclock for issuing a Decision in this matter is extended
8 accordingly.

9 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
10 31, 38, and 42 and Arizona Revised Statutes § 40-243 with respect to the practice of law and admission
11 *pro hac vice*.

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 the Administrative Law Judge may rescind, alter, amend, or
19 waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
20 hearing.

21 DATED this 4th day of February, 2016.

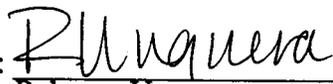
22
23 
24 _____
SCOTT M. HESLA
ADMINISTRATIVE LAW JUDGE

25 Copies of the foregoing mailed/delivered
this 4th day of February, 2016 to:

26 Lewis E. Hume
27 ASH FORK WATER SERVICE
28 PO Box 436
518 Lewis Avenue
Ash Fork, AZ 86320

1 Janice Alward, Chief Counsel
Legal Division
2 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
3 Phoenix, AZ 85007

4 Thomas Broderick, Director
Utilities Division
5 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
6 Phoenix, AZ 85007

7 By: 
8 Rebecca Unquera
Assistant to Scott M. Hesla

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28