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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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APR 15 2016

DOCKETED BY [Signature]

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

DOCKET NO. W-01815A-14-0173

**PROCEDURAL ORDER**  
(Schedules Filing Dates)

BY THE COMMISSION:

On June 2, 2014, Golden Shores Water Company, Inc. (“Golden Shores” or “Company”) filed with the Arizona Corporation Commission (“Commission”) an application 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>1</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> 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. Golden Shores completed a rate application for water companies with annual gross operating revenues of less than \$250,000.

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. Therefore, Staff requested that  
23 the timeclock in this docket be suspended, and that the timeclock be reinstated upon Golden Shores'  
24 filing of updated TY information and Golden Shores' filing a financing application.

25 On December 12, 2014, Staff filed a supplement to its motion, correcting a typographical error  
26 and indicating that Golden Shores supported Staff's proposed suspension of the timeclock.

27 On December 16, 2014, by Procedural Order, the procedural schedule was vacated and the  
28 timeclock was suspended.

1 Effective January 16, 2015, per the Notice of Final Rulemaking, A.A.C. R14-2-103 was  
2 amended by, among other items, updating the annual in-state operating revenue thresholds that classify  
3 utilities as A, B, C, D, or E.

4 On February 10, 2015, the hearing convened for purposes of taking public comment only.

5 On May 26, 2015, Golden Shores filed a financing application in Docket No. W-01815A-15-  
6 0166 ("Finance Docket").

7 On July 9, 2015, Golden Shores filed its Amended Rate Application with a TY of 2014,  
8 reporting total annual operating revenues of \$677,935.58 if the Company's requested revenue increase  
9 is approved by the Commission. Such annual operating revenues, inclusive of the requested rate relief,  
10 would render Golden Shores a Class D Utility under the new rules.

11 On July 21, 2015, one customer comment in support of the application was docketed.

12 On August 7, 2015, Staff issued a Letter of Deficiency regarding the Amended Rate  
13 Application.

14 On September 3 and September 30, 2015, Golden Shores filed its responses to Staff's Data  
15 Requests.

16 On October 5, 2015, Staff filed its Motion to Reinstate the Timeclock.

17 On October 9, 2015, by Procedural Order, a procedural conference was scheduled for October  
18 22, 2015, to discuss Staff's Motion to Reinstate the Timeclock as well as whether the current version  
19 of A.A.C. R14-2-103 should apply to Golden Shores' Amended Rate Application, negating the  
20 requirement for a hearing, or whether the application should be processed under the rules that were  
21 effective at the time the original rate application was filed, necessitating an evidentiary hearing.

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

26 On October 20, 2015, by Procedural Order, Golden Shores' Request was granted.

27 On October 22, 2015, a procedural conference was held as scheduled at the Commission's  
28 offices in Phoenix, Arizona. Golden Shores was represented by Eileen Sparks, its Secretary, who

1 verified she had authority to represent the Company. Staff appeared through counsel. Golden Shores  
2 and Staff both supported proceeding with the matter under the new classifications in A.A.C. R14-2-  
3 103 in which Golden Shores would be considered a Class D utility, thereby negating the need for a  
4 hearing. However, Staff expressed concern over the shorter timeframe due to current workload and  
5 asked for an additional 60 days to process the application. Ms. Sparks did not express opposition to  
6 Staff's request for additional time. Further, Staff supported consolidating the Rates Docket and the  
7 Finance Docket while Ms. Sparks indicated Golden Shores might withdraw the financing application  
8 because controllers had been installed on Golden Shores' existing wells, increasing their efficiency.  
9 Ms. Sparks stated it would be clear whether funding for a new well was needed within 30 days, at  
10 which point Golden Shores would determine whether or not to withdraw its financing application. Ms.  
11 Sparks further stated that consolidation of the dockets was preferred if Golden Shores were to determine  
12 to proceed with the financing application. Staff said its engineer would review the efficiencies of  
13 Golden Shores' wells when it conducted its site inspection.

14         On October 28, 2015, by Procedural Order, Golden Shores was directed to file items found  
15 missing from its rate and financing applications and Staff was directed to file a new sufficiency letter  
16 regarding the Company's Amended Rate Application once those items were filed. The Procedural  
17 Order also granted Staff's request for an additional 60 days to process the Company's Amended Rate  
18 Application, directing the Staff Report to be filed 135 days from the date of sufficiency.

19         On November 30, 2015, in the Finance Docket, Golden Shores filed a formal request to  
20 withdraw its financing application.

21         On February 5, 2016, Golden Shores filed the missing items requested of the Company in the  
22 October 28, 2015, Procedural Order.

23         On March 31, 2016, Staff filed a Letter of Sufficiency indicating Golden Shores' Amended  
24 Rate Application had met the sufficiency requirements outlined in A.A.C. R14-2-103, and classifying  
25 Golden Shores as a Class D Utility.

26         On April 8, 2016, Staff filed a Correction to Letter of Sufficiency filed on March 31, 2016,  
27 extending the due date of the Staff Report from June 15, 2016 to August 12, 2016, pursuant to the  
28 October 28, 2015, Procedural Order.

1 IT IS THEREFORE ORDERED that **Staff shall file its Staff Report** no later than **August 12,**  
2 **2016.**

3 IT IS FURTHER ORDERED that the **Company shall file its comments to the Staff Report**  
4 no later than **September 9, 2016.**

5 IT IS FURTHER ORDERED that the timeclock in this matter is reset.

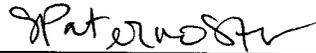
6 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules  
7 31, 38, 39, and 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

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

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

17 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or  
18 waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at  
19 hearing.

20 DATED this 15<sup>th</sup> day of April, 2016.

21  
22  
23   
24 SASHA PATERNOSTER  
ADMINISTRATIVE LAW JUDGE

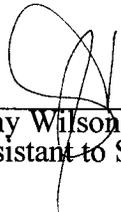
25 Copies of the foregoing mailed/delivered  
this 15<sup>th</sup> day of April, 2016 to:

26 Mark Sparks  
27 GOLDEN SHORES WATER COMPANY  
P.O. Box 37  
28 12812 Oatman Hwy.  
Topock, AZ 86436

1 Janice Alward, Chief Counsel  
2 Legal Division  
3 ARIZONA CORPORATION COMMISSION  
4 1200 West Washington Street  
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6 Thomas Broderick, Director  
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By:   
Amy Wilson  
Assistant to Sasha Paternoster