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BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

2 COMMISSIONERS

3 DOUG LITTLE – Chairman
4 BOB STUMP
4 BOB BURNS
5 TOM FORESE
5 ANDY TOBIN

Arizona Corporation Commission

DOCKETED

JUN 27 2016

DOCKETED BY *[Signature]*

2016 JUN 27 P 3:07

AZ CORP COMMISSION
DOCKET CONTROL

7 IN THE MATTER OF THE APPLICATION OF
8 SOUTHWEST GAS CORPORATION FOR THE
9 ESTABLISHMENT OF JUST AND REASONABLE
10 RATES AND CHARGES DESIGNATED TO
11 REALIZE A REASONABLE RATE OF RETURN
12 ON THE FAIR VALUE OF THE PROPERTIES OF
13 SOUTHWEST GAS CORPORATION DEVOTED
14 TO ITS ARIZONA OPERATIONS.

DOCKET NO. G-01551A-16-0107

RATE CASE
PROCEDURAL ORDER

11 BY THE COMMISSION:

12 On March 21, 2016, Southwest Gas Corporation (“SWG” or “Company”) filed with the Arizona
13 Corporation Commission (“Commission”) a Notice of Intent to File a Rate Case Application on or
14 about May 2, 2016.

15 On April 15, 2016, Mr. Richard Gayer filed a Motion to Intervene.

16 On May 2, 2016, SWG filed an application for an increase in rates for service provided in
17 Arizona.

18 On May 12, 2016, SWG filed substitute tariff sheets to its May 2, 2016 application.

19 On May 16, 2016, Arizona Investment Council (“AIC”) filed a Motion for Leave to Intervene.

20 On May 26, 2016, the Residential Utility Consumer Office (“RUCO”) filed an Application to
21 Intervene.

22 On May 31, 2016, Richard Gayer filed a Motion to Amend Tariff.

23 On June 1, 2016, the Commission’s Utilities Division (“Staff”) filed its Letter of Sufficiency
24 indicating that SWG satisfied the requirements of Arizona Administrative Code (“A.A.C.”) R14-2-103
25 and classified the Company as a Class A utility.

26 On June 7, 2016, AIC filed a Consent to Email Service.

27 On June 8, 2016, SWG filed an Opposition and Response to Intervenor Gayer’s Motion to
28

1 Amend Tariff.

2 On June 13, 2016, the Arizona Community Action Association (“ACAA”) filed a Motion to
3 Intervene.

4 To date, no opposition has been filed to the intervention requests of Mr. Gayer, AIC, RUCO,
5 or ACAA.

6 Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the
7 preparation and conduct of this proceeding.

8 IT IS THEREFORE ORDERED that the **hearing in this matter shall commence on February**
9 **6, 2017, at 10:00 a.m.**, at the Commission’s offices, 1200 West Washington Street, **Hearing Room**
10 **No. 1**, Phoenix, Arizona 85007.

11 IT IS FURTHER ORDERED that a **pre-hearing conference shall be held on February 3,**
12 **2017, at 10:00 a.m.**, at the Commission’s offices.

13 IT IS FURTHER ORDERED that **Mr. Richard Gayer is hereby granted intervention.**

14 IT IS FURTHER ORDERED that the **Arizona Investment Council is hereby granted**
15 **intervention.**

16 IT IS FURTHER ORDERED that the **Residential Utility Consumer Office is hereby granted**
17 **intervention.**

18 IT IS FURTHER ORDERED that the **Arizona Community Action Association is hereby**
19 **granted intervention.**

20 IT IS FURTHER ORDERED that the **direct testimony and associated exhibits to be**
21 **presented at hearing on behalf of Staff and intervenors on issues other than rate design** shall be
22 reduced to writing and filed on or before **November 30, 2016.**

23 IT IS FURTHER ORDERED that the **direct testimony** and associated exhibits to be presented
24 at hearing **on behalf of Staff and intervenors on rate design issues** shall be reduced to writing and
25 filed on or before **December 7, 2016.**

26 IT IS FURTHER ORDERED that any **rebuttal testimony and associated exhibits to be**
27 **presented at hearing by SWG** shall be reduced to writing and filed on or before **December 30, 2016.**

1 IT IS FURTHER ORDERED that any **surrebuttal testimony and associated exhibits to be**
2 **presented by Staff and intervenors** shall be reduced to writing and filed on or before **January 20,**
3 **2017.**

4 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits to be**
5 **presented at hearing by SWG** shall be reduced to writing and filed on or before **January 30, 2017.**

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

8 IT IS FURTHER ORDERED that any **objections to testimony or exhibits that have been**
9 **pre-filed as of January 30, 2017, shall be made before or at the February 3, 2017, pre-hearing**
10 **conference.**

11 IT IS FURTHER ORDERED that all testimony filed shall include a table of contents which
12 lists the issues discussed.

13 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to pre-
14 filed testimony shall be reduced to writing and filed no later than five calendar days before the witness
15 is scheduled to testify.

16 IT IS FURTHER ORDERED that the parties shall prepare a brief, written summary of the pre-
17 filed testimony of each of their witnesses and shall file each summary at least two working days before
18 the witness is scheduled to testify.

19 IT IS FURTHER ORDERED that copies of summaries shall be served upon the Administrative
20 Law Judge, the Commissioners, and the Commissioners' aides as well as the parties of record.

21 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
22 except that **all motions to intervene must be filed on or before September 2, 2016.**

23 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
24 regulations of the Commission, except that until **December 14, 2016,** any objection to discovery
25 requests shall be made within 7 calendar days of receipt¹ and responses to discovery requests shall be
26

27 _____
28 ¹ The date of receipt of discovery requests is not counted as a calendar day, and requests received after 4:00 p.m. MST will be considered as received the next business day.

1 made within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made
2 within 5 calendar days and responses shall be made within 7 calendar days. The response time may be
3 extended by mutual agreement of the parties involved if the request requires an extensive compilation
4 effort.

5 IT IS FURTHER ORDERED that for discovery requests, objections, and answers, if a receiving
6 party requests service to be made electronically, and the sending party has the technical capability to
7 provide service electronically, service to that party shall be made electronically.

8 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
9 discovery, any party seeking resolution of a discovery dispute may telephonically contact the
10 Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery
11 dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and
12 that the party making such a request shall forthwith contact all other parties to advise them of the
13 hearing date and shall at the hearing provide a statement confirming that the other parties were
14 contacted.²

15 IT IS FURTHER ORDERED that any motions which are filed in this matter and which are not
16 ruled upon by the Commission within 20 calendar days of the filing date of the motion shall be deemed
17 denied.

18 IT IS FURTHER ORDERED that any responses to motions shall be filed within five calendar
19 days of the filing date of the motion.

20 IT IS FURTHER ORDERED that any replies shall be filed within five calendar days of the
21 filing date of the response.

22 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
23 this matter, in the following form and style with the heading in no less than 18-point bold type and the
24 body in no less than 10-point regular type:

25 ...

26 ...

27 _____
28 ² The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

1 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF SOUTHWEST GAS**
2 **CORPORATION FOR A PERMANENT BASE RATE INCREASE**
3 **(DOCKET NO. G-01551A-16-0107)**

4 **Summary**

5 On May 2, 2016, Southwest Gas Corporation (“SWG” or “Company”) filed an
6 application with the Arizona Corporation Commission (“Commission”) for a permanent
7 gross revenue increase of approximately \$31.9 million, or approximately 4.25 percent
8 over current revenues, for the provision of gas service within the Company’s authorized
9 service area in Arizona. The rate impact on customers would vary based on customer
10 class and individual usage if SWG’s proposal were to be adopted. The Company is also
11 seeking, among other things, to: continue its Energy Efficiency Enabling Provision, a
12 revenue decoupling mechanism that SWG contends is intended to achieve customer
13 acceptance and understandability, promote the Company’s energy efficiency programs,
14 and result in the fair and equitable recovery of costs; rebrand and expand its Customer
15 Owned Yard Line program; and implement a Property Tax True-Up mechanism.

16 Under SWG’s proposal, the residential basic service charge would remain \$10.70 per
17 month; however, a residential customer with an average monthly usage of 26 terms
18 would experience an increase from \$41.33 to \$42.47, or approximately 2.76 percent.

19 The Commission’s Utilities Division (“Staff”) is in the process of auditing and
20 analyzing the application, and has not yet made any recommendations regarding SWG’s
21 proposed rate increase. The Commission will determine the appropriate relief to be
22 granted based on the evidence presented by the parties. **THE COMMISSION IS NOT
23 BOUND BY THE PROPOSALS MADE BY SWG, STAFF, OR ANY
24 INTERVENORS; THEREFORE, THE FINAL RATES APPROVED BY THE
25 COMMISSION MAY DIFFER FROM THE RATES REQUESTED BY THE
26 COMPANY OR OTHER PARTIES.**

27 **How You Can View or Obtain a Copy of the Rate Proposal**

28 Copies of the application and proposed rates are available from SWG [COMPANY
INSERT HOW AND WHERE AVAILABLE] and at the Commission’s Docket
Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection
during regular business hours and on the Internet via the Commission’s website
(www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **February 6, 2017, at
10:00 a.m. in Hearing Room No. 1**, at the Commission’s offices, 1200 West
Washington Street, Phoenix, Arizona, 85007. Public comments will be taken on the
first day of hearing.

Written public comments may be submitted by mailing a letter referencing Docket No.
G-01551A-16-0107 to Arizona Corporation Commission, Consumer Services Section,
1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the
Commission’s website (www.azcc.gov) using the “Submit a Public Comment for a
Utility” function. If you require assistance, you may contact the Consumer Services
Section at 1-800-222-7000.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances,
interested persons may intervene. An interested person may be granted intervention if

1 the outcome of the case will directly and substantially impact the person, and the
 2 person's intervention will not unduly broaden the issues in the case. Intervention,
 3 among other things, entitles a party to present sworn evidence at hearing and to cross-
 4 examine other parties' witnesses. However, failure to intervene will not preclude any
 5 interested person or entity from appearing at the hearing and providing public comment
 6 on the application or from filing written comments in the record of the case.

7 To request intervention, you must file an **original and 13 hard copies** of a written request
 8 to intervene with Docket Control, 1200 West Washington, Phoenix, AZ 85007, **no later**
 9 **than September 2, 2016**. You also **must** serve a copy of the request to intervene on
 10 each party of record, on the same day that you file the request to intervene with the
 11 Commission. Information about intervention and sample intervention requests are
 12 available on the Commission's website (www.azcc.gov) using the "Intervention in
 13 Utility Cases" link.

14 Your request to intervene must contain the following:

- 15 1. Your name, address, and telephone number, and the name, address, and telephone
 16 number of any person upon whom service of documents is to be made, if not
 17 yourself;
- 18 2. A reference to **Docket No. G-01551A-16-0107**;
- 19 3. A short statement explaining:
 - 20 a. Your interest in the proceeding (e.g., a customer of the utility, a
 21 shareholder of the utility, etc.),
 - 22 b. How you will be directly and substantially affected by the outcome of the
 23 case, and
 - 24 c. Why your intervention will not unduly broaden the issues in the case;
- 25 4. A statement certifying that you have served a copy of the request to intervene on
 26 the utility or its attorney and all other parties of record in the case; and
- 27 5. If you are not represented by an attorney who is an active member of the Arizona
 28 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 September 2, 2016.

ADA/Equal Access Information

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

IT IS FURTHER ORDERED that SWG shall mail to each of its customers in each affected
 district a copy of the above notice as a bill insert beginning with the first billing cycle in **July, 2016**,
 and shall cause a copy of such notice to be published at least once in a newspaper of general circulation
 in the service territory of each of the affected water districts, with mailing and publication to be
 completed no later than **August 1, 2016**.

1 IT IS FURTHER ORDERED that SWG shall file certification of mailing and publication as
2 soon as practical after the mailing and publication have been completed, but not later than September
3 2, 2016.

4 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and
5 publication of same, notwithstanding the failure of an individual customer to read or receive the notice.

6 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
7 31, 38, 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 appearances at all hearings
11 and procedural conferences, as well as all Open Meetings for which the matter is scheduled for
12 discussion, unless counsel has previously been granted permission to withdraw by the Administrative
13 Law Judge or the Commission.

14 IT IS FURTHER ORDERED that, as permitted under A.A.C. R14-3-107(B), each party to this
15 matter may opt to receive service of all filings in this docket, including all filings by parties and all
16 Procedural Orders and Recommended Opinions and Orders/Recommended Orders issued by the
17 Commission's Hearing Division, via email sent to an email address provided by the party rather than
18 via U.S. Mail. To exercise this option, a party shall:

- 19 1. Ensure that the party has a valid and active email address to which the party has regular
20 and reliable access ("designated email address");
- 21 2. Complete a Consent to Email Service form, available on the Commission's website
22 (www.azcc.gov);
- 23 3. File the original and 13 copies of the Consent to Email Service form with the
24 Commission's Docket Control, also providing service to each party to the service list;
- 25 4. Send an email, containing the party's name and the docket number for this matter, to
26 HearingDivisionServicebyEmail@azcc.gov from the designated email address, to allow
27 the Hearing Division to verify the validity of the designated email address;

1 5. Understand and agree that service of a document on the party shall be complete upon
2 the sending of an email containing the document to the designated email address,
3 regardless of whether the party receives or reads the email containing the document;
4 and

5 6. Understand and agree that the party will no longer receive service of filings in this
6 matter through First Class U.S. Mail or any other form of hard-copy delivery, unless
7 and until the party withdraws this consent through a filing made in this docket.

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

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

15 AIC has opted to receive service of all filings in this docket, including all filings by parties and
16 all Procedural Orders and Recommended Opinions and Orders/Recommended Orders issued by the
17 Commission's Hearing Division, via its designated email address rather than via U.S. Mail. AIC has
18 exercised this option by docketing a hard copy of its Consent to Email Service by sending an email,
19 containing AIC's name and the docket number for this matter, to
20 HearingDivisionServicebyEmail@azcc.gov from its designated email address. The Hearing Division
21 has verified the validity of the designated email address, which now appears on the service list for this
22 matter in addition to AIC's address for U.S. Mail.

23 IT IS THEREFORE ORDERED that the request by Arizona Investment Council to receive
24 service of all filings in this docket, including all filings by parties and all Procedural Orders and
25 Recommended Opinions and Orders/Recommended Orders issued by the Commission's Hearing
26 Division, via its designated email address rather than via U.S. Mail, is hereby approved.

27 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
28 Communications) applies to this proceeding and shall remain in effect until the Commission's Decision

1 in this matter is final and non-appealable.

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

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

7 DATED this 27th day of June, 2016.

8
9 

10 DWIGHT D. NODES
11 CHIEF ADMINISTRATIVE LAW JUDGE

12 Copies of the foregoing mailed/emailed/delivered
this 27th day of June, 2016 to:

13 Catherine M. Mazzeo
14 Assistant General Counsel
15 SOUTHWEST GAS CORPORATION
PO. Box 98510
Las Vegas, NV 89193

16 Matthew D. Derr
17 Regulatory Manager, Arizona
18 SOUTHWEST GAS CORPORATION
1600 E. Northern Avenue
Phoenix, AZ 85020

19 Richard Gayer
20 526 W. Wilshire Drive
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Phoenix, AZ 85012
Attorneys for Arizona Investment Council
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24 **Consented to Service by Email**

25 Gary Yaquinto, President & CEO
26 Arizona Investment Council
2100 N. Central Avenue, Suite 210
Phoenix, AZ 85004

27 Gyaquinto@arizonaaic.org
28 **Consented to Service by Email**

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2 Phoenix, AZ 85007

3 Cynthia Zwick, Executive Director
Kevin Hengehold, Energy Program Director
4 Arizona Community Action Association
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5 Phoenix, AZ 85004

6 Janice Alward, Chief Counsel
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7 ARIZONA CORPORATION COMMISSION
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9 Thomas Broderick, Director
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10 ARIZONA CORPORATION COMMISSION
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13 1802 North 7th Street
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15 By: RTallman
16 Rebecca Tallman
17 Assistant to Dwight D. Nodes
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