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1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 TOM FORESE – Chairman
4 BOB BURNS
5 DOUG LITTLE
6 ANDY TOBIN
7 BOYD W. DUNN

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Arizona Corporation Commission

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8 IN THE MATTER OF THE APPLICATION OF ROSE
9 VALLEY WATER COMPANY, AN ARIZONA
10 PUBLIC SERVICE CORPORATION, FOR
11 DETERMINATION OF THE FAIR VALUE OF ITS
12 UTILITY PLANT AND PROPERTY, AND FOR
13 INCREASES IN ITS RATES AND CHARGES FOR
14 WATER SERVICE TO THE PUBLIC.

DOCKET NO. W-01539A-17-0060

PROCEDURAL ORDER

11 **BY THE COMMISSION:**

12 On February 28, 2017, Rose Valley Water Company (“Rose Valley” or “Company”) filed an
13 application with the Arizona Corporation Commission (“Commission”) for determination of the fair
14 value of its utility plant and property, and for increases in its rates and charges for water service.

15 On March 17, 2017, Rose Valley filed a response to a data request.

16 On March 29, 2017, Rose Valley filed an amendment to its application.

17 On March 30, 2017, the Commission’s Utilities Division (“Staff”) filed a Letter of Sufficiency
18 stating that Rose Valley’s rate application had met the sufficiency requirements outlined in Arizona
19 Administrative Code (“A.A.C.”) R14-2-103 and classifying the Company as a Class C Utility.

20 On April 6, 2017, Rose Valley filed an amendment to its application.

21 On April 12, 2017, Rose Valley filed an amendment to its application.

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

24 IT IS THEREFORE ORDERED that the **hearing in this matter shall commence on October**
25 **17, 2017, at 10:00 a.m.**, at the Commission’s offices, 1200 West Washington Street, Hearing Room
26 No. 1, Phoenix, Arizona 85007, and **shall continue, if necessary, on October 18, 2017, at 9:00 a.m.**

27 IT IS FURTHER ORDERED that the **direct testimony** and associated exhibits to be presented
28 at hearing on behalf of **Staff or any intervenor** shall be reduced to writing and filed on or before

1 **August 14, 2017.**

2 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be
3 presented at hearing by **Rose Valley** shall be reduced to writing and filed on or before **September 14,**
4 **2017.**

5 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be
6 presented by **Staff or any intervenor** shall be reduced to writing and filed on or before **September**
7 **28, 2017.**

8 IT IS FURTHER ORDERED that any **rejoinder testimony** and associated exhibits to be
9 presented at hearing by **Rose Valley** shall be reduced to writing and filed on or before **October 5, 2017.**

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

12 IT IS FURTHER ORDERED that **Rose Valley** shall provide **public notice of the hearing** in
13 this matter, in the following form and style:

14 **PUBLIC NOTICE OF HEARING**
15 **IN THE MATTER OF THE APPLICATION OF ROSE VALLEY WATER**
16 **COMPANY, AN ARIZONA PUBLIC SERVICE CORPORATION, FOR A**
17 **DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND**
18 **PROPERTY, AND FOR INCREASES IN ITS RATES AND CHARGES FOR**
19 **WATER SERVICE TO THE PUBLIC**
20 **DOCKET NO. W-01539A-17-0060**

21 **Summary**

22 On February 28, 2017, Rose Valley Water Company ("Rose Valley" or "Company")
23 filed an application with the Arizona Corporation Commission ("Commission") for a
24 determination of the fair value of its utility plant and property, and for increases in its
25 rates and charges for water service.

26 The Company is requesting rates to produce total operating revenue of \$1,388,655, an
27 increase of \$425,000, or 44.10 percent, over adjusted test year revenue of \$963,655. The
28 Company's proposed rates would increase the monthly water bill for a 5/8 x 3/4-inch
meter residential customer with median usage of 8,507 gallons from \$17.64 to \$27.55,
an increase of \$9.91, or 56.18 percent. **The actual percentage rate increase for
individual customers that would result from the application will vary depending
upon the type and quantity of service provided.**

**The Commission's Utilities Division ("Staff") is in the process of reviewing and
analyzing the application. Neither Staff nor any intervenor has yet made any
recommendation regarding Rose Valley's request. The Commission is not bound
by the proposals made by Rose Valley, Staff, or any intervenor(s). The Commission
will determine the appropriate ratemaking treatment of the revenues and expenses
related to Rose Valley's application based on the evidence presented in this
proceeding.**

1 **THE FINAL RATES APPROVED BY THE COMMISSION MAY BE HIGHER,**
2 **LOWER, OR DIFFERENT THAN THE RATES PROPOSED BY ROSE VALLEY**
3 **OR BY OTHER PARTIES.**

4 If you have any questions concerning how the application may affect your bill or have
5 other substantive questions about the application, you may contact the Company at:
6 [COMPANY INSERT NAME, ADDRESS, TELEPHONE NUMBER, AND E-
7 MAIL ADDRESS FOR CUSTOMER CONTACTS CONCERNING THE
8 APPLICATION].

9 **How You Can View or Obtain a Copy of the Application**

10 Copies of the application are available from Rose Valley [COMPANY INSERT HOW
11 AND WHERE AVAILABLE]; at the Commission's Docket Control Center at 1200
12 West Washington Street, Phoenix, Arizona, during regular business hours; and on the
13 Commission website (www.azcc.gov) using the e-Docket function.

14 **Arizona Corporation Commission Public Hearing Information**

15 The Commission will hold a hearing on this matter beginning **October 17, 2017, at 10:00**
16 **a.m.**, at the Commission's offices, 1200 West Washington Street, Hearing Room No. 1,
17 Phoenix, Arizona. Public comments will be taken on the first day of the hearing.

18 Written public comments may be submitted by mailing a letter referencing **Docket No.**
19 **W-01539A-17-0060** to Arizona Corporation Commission, Consumer Services Section,
20 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the
21 Commission's website (www.azcc.gov) using the "Submit a Public Comment for a
22 Utility" function. If you require assistance, you may contact the Consumer Services
23 Section at 602-542-4251 or 1-800-222-7000.

24 **If you do not intervene in this proceeding, you will receive no further notice of the**
25 **proceedings in this docket. However, all documents filed in this docket are available**
26 **online** (usually within 24 hours after docketing) at the Commission's website
27 (www.azcc.gov) using the e-Docket function. You may choose to subscribe to an RSS
28 feed for this case using the e-Docket function.

29 **About Intervention**

30 The law provides for an open public hearing at which, under appropriate circumstances,
31 interested persons may intervene. An interested person may be granted intervention if
32 the outcome of the case will directly and substantially impact the person, and the person's
33 intervention will not unduly broaden the issues in the case. Intervention, among other
34 things, entitles a party to present sworn evidence at hearing and to cross-examine other
35 parties' witnesses. **Intervention is not required if you want to appear at the hearing**
36 **and provide public comment on the application, or if you want to file written**
37 **comments in the record of the case.**

38 To request intervention, you must file an **original and 13 hard copies** of a written request
39 to intervene with Docket Control, 1200 West Washington, Phoenix, AZ 85007, **no later**
40 **than July 7, 2017.** You also **must** serve a copy of the request to intervene on each party
41 of record on the same day that you file the request to intervene with the Commission.
42 **Information about what intervention means, including an explanation of the rights**
43 **and responsibilities of an intervenor, is available on the Commission's website**
44 (www.azcc.gov) **using the "Intervention in Utility Cases" link.** The link also includes
45 sample intervention requests.

1 If you choose to request intervention, your request must contain the following:

- 2 1. Your name, address, and telephone number, and the name, address, and telephone
3 number of any person upon whom service of documents is to be made, if not
4 yourself;
- 5 2. A reference to **Docket No. W-01539A-17-0060**;
- 6 3. A short statement explaining:
 - 7 a. Your interest in the proceeding (e.g., a customer of **Rose Valley**, etc.),
 - 8 b. How you will be directly and substantially affected by the outcome of the
9 case, and
 - 10 c. Why your intervention will not unduly broaden the issues in the case;
- 11 4. A statement certifying that you have served a copy of the request to intervene on
12 the Company or its attorney and all other parties of record in the case; and
- 13 5. If you are not represented by an attorney who is an active member of the Arizona
14 State Bar, and you are not representing yourself as an individual, sufficient
15 information and any appropriate documentation to demonstrate compliance with
16 Arizona Supreme Court Rules 31, 38, 39, and 42, as applicable.

17 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that
18 all motions to intervene must be filed on or before July 7, 2017.

19 **ADA/Equal Access Information**

20 The Commission does not discriminate on the basis of disability in admission to its public
21 meetings. Persons with a disability may request a reasonable accommodation such as a
22 sign language interpreter, as well as request this document in an alternative format, by
23 contacting the ADA Coordinator, Kacie Cannon, Email KCannon@azcc.gov, voice
24 phone number 602-542-3931. Requests should be made as early as possible to allow
25 time to arrange the accommodation.

26 IT IS FURTHER ORDERED that **Rose Valley** shall **mail** to each of its customers a copy of the
27 above notice either separately or as a bill insert and shall cause a copy of such notice to be **published**
28 **at least once in a newspaper of general circulation** in the Company's service territory, with mailing
and publication to be completed as soon as possible, but no later than **June 1, 2017**.

IT IS FURTHER ORDERED that **Rose Valley** shall file **certification of mailing and**
publication as soon as possible after the mailing and publication have been completed, but no later
than **July 7, 2017**.

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

IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
except that **all motions to intervene must be filed on or before July 7, 2017**.

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

1 provide service electronically, service to that party shall be made electronically.

2 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
3 discovery, any party seeking resolution of a discovery dispute may telephonically contact the
4 Commission's Hearing Division to request a date for a procedural conference to resolve the discovery
5 dispute; that upon such a request, a procedural conference will be convened as soon as practicable; and
6 that the party making such a request shall forthwith contact all other parties to advise them of the date
7 and time of the procedural conference and shall at the procedural conference provide a statement
8 confirming that the other parties were contacted.¹

9 IT IS FURTHER ORDERED that any responses to a motion shall be filed within five calendar
10 days of the filing date of the motion.

11 IT IS FURTHER ORDERED that any reply shall be filed within five calendar days of the filing
12 date of the response.

13 IT IS FURTHER ORDERED that any motion, other than a Motion to Intervene, that is filed in
14 this matter and that is not ruled upon by the Commission within 20 calendar days of the filing date of
15 the motion shall be deemed denied.

16 IT IS FURTHER ORDERED that each party or prospective party shall refer to the **Procedural**
17 **Order Regarding Consent to Email Service** issued in this matter on **March 2, 2017**, for additional
18 information regarding the process to consent to service by email. Information regarding Consent to
19 Email Service is also available on the Commission's website (www.azcc.gov) through the "Email
20 Service Consent" link.

21 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
22 31, 38, 39, and 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

23 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
24 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona
25 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings
26 and procedural conferences, as well as all Open Meetings for which the matter is scheduled for

27 _____
28 ¹ The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

1 discussion, unless counsel has previously been granted permission to withdraw by the Administrative
2 Law Judge or the Commission.

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

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

9 DATED this 24th day of April, 2017.



SCOTT M. HESLA
ADMINISTRATIVE LAW JUDGE

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1 On this 24th day of April, 2017, the foregoing document was filed with Docket Control as a
2 Procedural Order – Sets a Hearing, and copies of the foregoing were mailed on behalf of the Hearing
3 Division to the following who have not consented to email service. On this date or as soon as possible
thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the
following who have consented to email service.

4 Lawrence Robertson, Jr.
5 210 Continental Road, Suite 216A
6 Green Valley, Arizona 85622
7 Attorneys for Rose Valley Water Company

8 Andy Kvesic, Director
9 Legal Division
10 ARIZONA CORPORATION COMMISSION
11 1200 West Washington Street
12 Phoenix, AZ 85007
13 LegalDiv@azcc.gov
14 utildivservicebyemail@azcc.gov
15 **Consented to Service by Email**

16 COASH & COASH, INC.
17 Court Reporting, Video and
18 Videoconferencing
19 1802 North 7th Street
20 Phoenix, AZ 85006
21 **Not a party, mailed as a courtesy**

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27
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By: 
Rebecca Tallman
Assistant to Scott M. Hesla