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BEFORE THE ARIZONA CORPORATION COMMISSION

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2 COMMISSIONERS

Arizona Corporation Commission

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3 MIKE GLEASON - Chairman

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6 KRISTIN K. MAYES

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7 IN THE MATTER OF THE APPLICATION OF
WILHOIT WATER COMPANY, INC., YAVAPAI
8 MOBILE HOME ESTATES SYSTEM, FOR
9 RETROACTIVE APPROVAL OF A FINANCING
APPLICATION.

DOCKET NO. W-02065A-07-0308

10 IN THE MATTER OF THE APPLICATION OF
WILHOIT WATER COMPANY, INC., YAVAPAI
11 MOBILE HOME ESTATES SYSTEM, FOR
APPROVAL OF A FINANCING APPLICATION.

DOCKET NO. W-02065A-07-0309

12 IN THE MATTER OF THE APPLICATION OF
13 WILHOIT WATER COMPANY, INC., YAVAPAI
MOBILE HOME ESTATES SYSTEM, FOR
14 APPROVAL OF A PERMANENT RATE
INCREASE.

DOCKET NO. W-02065A-07-0311

RATE CASE
PROCEDURAL ORDER

15 **BY THE COMMISSION:**

16
17 On May 21, 2007, Wilhoit Water Company, Inc., Yavapai Mobile Home Estates System
18 ("Applicant" or "Company") filed with the Arizona Corporation Commission ("Commission") the
19 following applications: an application requesting approval of financing in the amount of \$10,000 in
20 Docket No. W-02065A-07-0308; an application requesting retroactive approval of financing in the
21 amount of \$36,105 in Docket No. W-02065A-07-0309; and an application requesting approval for a
22 permanent rate increase in Docket No. W-02065A-07-0311.

23 On June 20, 2007, pursuant to A.A.C. R14-3-103, the Commission's Utilities Division
24 ("Staff") issued a Notice of Insufficiency to the Company with respect to its rate application.

25 On September 10, 2007, pursuant to A.A.C. R14-3-103, Staff issued a Notice of Sufficiency
26 that the Company's rate application was sufficient and classifying the Company as a Class D utility.

27 On October 23, 2007, by Procedural Order, the above-captioned proceedings were
28 consolidated for further disposition by the Commission and it was further ordered that public

1 comment on the above-captioned proceedings would be held at the Chino Valley Town Hall Council
2 Chambers in Chino Valley, Arizona on December 11, 2007.

3 On November 7 and 14, 2007, the Company published notice of the public comment hearing
4 in a newspaper of general circulation in Yavapai County, Arizona.

5 On November 9, 2007, Staff filed its report with respect to the Company's applications
6 wherein Staff recommended approval of its rates and charges and further recommended the
7 authorization of an arsenic cost recovery mechanism ("ACRM") to enable the Company to recover
8 the costs of arsenic remediation and to deny the Company's two requests for Commission approval to
9 refinance existing debt to the Applicant's parent corporation.

10 On November 19, 2007, the Company filed exceptions to the Staff Report indicating that it
11 objected to Staff's recommendation with respect to its request for an increase in water rates and for
12 its financing applications.

13 On December 11, 2007, the Commission held a public comment hearing at the Chino Valley
14 Town Hall Council Chambers in Chino Valley, Arizona.

15 Accordingly, a hearing should be scheduled with respect to the applications, and, pursuant to
16 A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and
17 conduct of this proceeding.

18 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matters shall
19 commence on **March 14, 2008**, at 9:30 a.m., or as soon thereafter as is practical, at the Commission's
20 offices, 1200 West Washington Street, Phoenix, Arizona.

21 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
22 105, except that all motions to intervene must be filed on or before **February 22, 2008**.

23 IT IS FURTHER ORDERED that any **evidence and/or associated exhibits** to be presented at
24 hearing on behalf of intervenors shall be reduced to a written summary and filed on or before
25 **February 29, 2008**.

26 IT IS FURTHER ORDERED that any **rebuttal evidence and/or associated exhibits** to be
27 presented at hearing by the Company shall be reduced to a written summary and filed on or before
28

1 **March 5, 2008.**

2 IT IS FURTHER ORDERED that any surrebuttal evidence and/or associated exhibits to be
3 presented by the Staff and/or intervenors shall be presented orally at the hearing.

4 IT IS FURTHER ORDERED that any substantive corrections or revisions shall be reduced to
5 writing and filed no later than five days before the witness is scheduled to testify.

6 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the Rules and
7 Regulations of the Commission except that any objection to discovery requests shall be made within
8 seven days of receipt and responses to discovery requests shall be made within ten days of receipt.¹

9 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by
10 the Commission within ten days of the filing date of the motion shall be deemed denied.

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

13 IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date
14 of the response.

15 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
16 this matter, in the following form and style:

17 **PUBLIC NOTICE OF HEARING ON THE RATE AND FINANCING**
18 **APPLICATIONS OF WILHOIT WATER COMPANY, INC.,**
YAVAPAI MOBILE HOME ESTATES SYSTEM.
19 **(DOCKET NOS. W-02065A-07-0308, W-02065A-07-0309**
and W-02065A-07-0311)

20 On May 21, 2007, Wilhoit Water Company, Inc., Yavapai Mobile Home Estates
21 System ("Company") filed applications with the Arizona Corporation Commission
22 for an increase in its rates and charges, and for financing approval. Copies of the
Company's applications and proposed tariffs are available at its office and the
Commission's offices for public inspection during regular business hours.

23 The Commission will hold a public hearing on this matter beginning **March 14,**
24 **2008, at 9:30 a.m.** at the Commission's offices, 1200 West Washington Street,
Phoenix, Arizona. Public comments will be taken on the first day of the hearing.

25 The law provides for an open public hearing at which, under appropriate
26 circumstances, interested parties may intervene. Intervention shall be permitted to
27 any person entitled by law to intervene and having a direct and substantial interest in
the matter. Person's desiring to intervene must file a written motion to intervene with
the Commission no later than **February 22, 2008.** The motion to intervene must be

28 ¹ "Days" means calendar days.

1 sent to the Company or its counsel and to all parties of record, and shall contain the
2 following:

- 3 1. The name, address, and telephone number of the proposed intervenor
4 and or any party upon whom service of documents is to be made if
5 different from the intervenor.
- 6 2. A short statement of the proposed intervenor's interests in the
7 proceeding (e.g., a customer of the Company, a shareholder of the
8 company, etc.).
- 9 3. A statement certifying that a copy of the motion to intervene has been
10 mailed to the Company or its counsel and to all parties of record in the
11 case.

12 The granting of intervention, among other things, entitles a party to present sworn
13 evidence at the hearing and to cross-examine other witnesses. However, failure to
14 intervene will not preclude any interested person or entity from appearing at the
15 hearing and providing public comment on the application or from filing written
16 comments in the record of the case. You will not receive any further notice of this
17 proceeding unless you request it.

18 If you have questions about this application, or want further information on
19 intervention, you may contact the Consumer Services Section of the Commission at
20 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

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

27 IT IS FURTHER ORDERED that the Company shall provide notice as follows:

- 28 • by **publishing by January 31, 2008**, a copy of the above notice in a newspaper of
general circulation in the service area; and
- by **mailing by February 7, 2008**, a copy of the above notice to each of its
customers.

IT IS FURTHER ORDERED that the Company shall file certification of the provision of
notice as soon as practicable after notice has been completed.

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

IT IS FURTHER ORDERED that, pursuant to A.A.C. R14-2-103, the time-frame on the rate
application shall be suspended until further order.

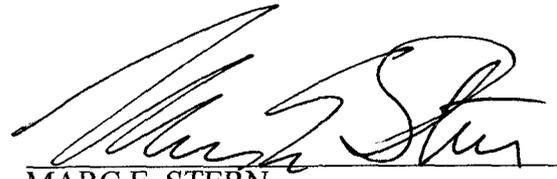
IT IS FURTHER ORDERED that the ex parte rule (A.A.C. R14-3-113—Unauthorized
Communications) applies to this proceeding and shall remain in effect until the Commission's
Decision in this matter is final and non-appealable.

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

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

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

9 DATED this 17th day of January, 2008.

10
11 
12 MARC E. STERN
13 ADMINISTRATIVE LAW JUDGE

14 Copies of the foregoing mailed/delivered
15 this 4th day of January, 2008 to:

16 Jim West
17 WEST & COMPANY, L.L.C
18 365 East Coronado Road, Suite 200
19 Phoenix, Arizona 85004

20 WILHOIT WATER COMPANY
21 901 South First Street
22 Clarkdale, Arizona 86324

23 Christopher Kempley, Chief Counsel
24 Legal Division
25 ARIZONA CORPORATION COMMISSION
26 1200 West Washington Street
27 Phoenix, AZ 85007

28 Ernest G. Johnson, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

ARIZONA REPORTING SERVICE, INC.
2200 North Central Avenue, Suite 502
Phoenix, AZ 85004

By:


Debra Broyles
Secretary to Marc E. Stern