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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

- GARY PIERCE, Chairman
- BOB STUMP
- SANDRA D. KENNEDY
- PAUL NEWMAN
- BRENDA BURNS

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IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR ADJUSTMENTS TO ITS RATES AND CHARGES FOR UTILITY SERVICE FURNISHED BY ITS WESTERN GROUP AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01445A-10-0517

PROCEDURAL ORDER

BY THE COMMISSION:

On May 9, 2011,¹ Arizona Water Company ("AWC") filed with the Arizona Corporation Commission ("Commission") an Amended Application requesting adjustments to its rates and charges for utility service provided by its Western Group water systems, including its Pinal Valley (Casa Grande, Coolidge, and Stanfield); Ajo; and White Tank water systems. AWC's Amended Application uses a test year ending December 31, 2010.

Since that time, the Amended Application has been declared sufficient by the Commission's Utilities Division ("Staff"); intervention has been granted to the Residential Utility Consumer Office ("RUCO"), Abbott Laboratories ("Abbott"), and Water Utilities Association of Arizona ("WUAA"); a procedural schedule has been established and adjusted; AWC has filed certification showing that notice of the hearing scheduled in this matter has been mailed to each of its customers and published in several newspapers; and direct and rebuttal testimony has been filed.

The current procedural schedule requires surrebuttal testimony to be filed by January 27, 2012; rejoinder testimony to be filed by February 10, 2012; a pre-hearing conference to be held on February 17, 2012; and a hearing to commence on February 21, 2012, and continue through March 2, 2012, as needed.

¹ The filings and events that occurred in this docket prior to this date are detailed in previous Procedural Orders.

1 On January 24, 2012, Staff filed a Notice of Settlement Discussions, in which Staff advised
 2 the Commissioners that Staff would be entering settlement discussions, at the request of AWC, and
 3 with all parties invited and provided an opportunity to attend, during the week of January 30, 2012.

4 Later on January 24, 2012, Staff filed a Request for a Procedural Conference, requesting a
 5 brief procedural conference to discuss modifying the filing deadlines for this matter so as to
 6 accommodate the settlement discussions. Staff requested that the filing deadline for surrebuttal
 7 testimony be suspended if a procedural conference could not be held before January 27, 2012, and
 8 until the revised filing deadlines proposed by the parties could be addressed at a procedural
 9 conference. Staff asserted that both AWC and RUCO were in support of Staff's request.

10 On January 25, 2012, AWC filed a Notice of Scheduling of Settlement Conference, stating
 11 that a settlement meeting was scheduled to be held on January 31, 2012, at the Commission's offices
 12 in Phoenix.

13 On January 27, 2012, a procedural conference was held before a duly authorized
 14 Administrative Law Judge of the Commission at the Commission's offices in Phoenix, Arizona.
 15 AWC, RUCO, Abbott, and Staff appeared through counsel. WUAA did not appear, but counsel for
 16 AWC averred that WUAA had previously indicated its assent to the scheduling proposal to be made
 17 by the parties. The parties requested that a dual track schedule now be established for this matter, to
 18 accommodate settlement discussions and the possibility of settlement. The parties requested a first
 19 track that was to be a slightly modified version of the current schedule and a second track that was to
 20 be a significantly modified version of the current schedule that would include a settlement agreement
 21 entered into by the parties. The dual tracks proposed by the parties would proceed as follows:

22 **Track 1: No Settlement Reached**

Track 2: Settlement Reached

23 Surrebuttal: February 10

Settlement Agreement: February 15

24 Rejoinder: February 17

Support/Opposition: February 21

25 Pre-Hrng Conference: February 17

Responsive Testimony: February 27

26 Hearing Dates: February 21-March 2

Hearing Dates: March 1 and 2

27 It was agreed during the procedural conference that the dual track would be adopted for this
 28 proceeding, to accommodate the parties' desire to engage in settlement discussions and to streamline

1 the proceeding in the event settlement is reached. There was no discussion regarding whether the
2 Commission's time frame should be extended due to the requested scheduling modifications.

3 On reflection, it is reasonable and appropriate to extend the Commission's time frame in this
4 matter in light of the later filing dates for prefiled testimony. Thus, in addition to adopting the dual
5 tracks proposed, this Procedural Order will also extend the Commission's time frame in this matter
6 by 17 days, which is equivalent to the length of time by which the latest filing date for prefiled
7 testimony (currently February 10) is being extended herein (to February 27).

8 IT IS THEREFORE ORDERED that the following procedural deadlines and dates are hereby
9 adopted and shall be followed in the event that the parties **are not able to reach a settlement² before**

10 **February 10, 2012:**

11 **Track 1: No Settlement Reached before February 10, 2012**

12	Surrebuttal Testimony Filing Deadline:	February 10, 2012
13	Rejoinder Testimony Filing Deadline:	February 17, 2012
14	Pre-Hearing Conference Held:	February 17, 2012
15	Hearing Dates:	February 21-March 2, 2012 ³

16 IT IS FURTHER ORDERED that the following procedural deadlines and dates are hereby
17 adopted and shall be followed in the event that the parties **are able to reach a settlement⁴ before**

18 **February 10, 2012:**

19 **Track 2: Settlement Reached before February 10, 2012**

20	Settlement Agreement Filing Deadline:	February 15, 2012
21	Public Comment Proceeding	February 21, 2012
22	Testimony Filed in Support/Opposition:	February 21, 2012
23	Responsive Testimony Filed:	February 27, 2012
24	Hearing Dates:	March 1 and 2, 2012 ⁵

25
26 ² This is intended to mean that the parties have not been able to reach a conceptual agreement by this date, which is the new deadline adopted herein for the filing of surrebuttal testimony in the event that no settlement is reached.

27 ³ Hearing is to proceed on these dates as needed.

28 ⁴ This is intended to mean that the parties have been able to reach a conceptual agreement by this date, which is the new deadline adopted herein for the filing of surrebuttal testimony in the event that no settlement is reached.

⁵ Additional hearing dates will be scheduled if needed.

1 IT IS FURTHER ORDERED that the Commission's **time frame** in this matter is hereby
2 **extended by 17 days.**

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

6 DATED this 31st day of January, 2012.

7
8
9 
10 SARAH N. HARPRING
11 ADMINISTRATIVE LAW JUDGE


12 Copies of the foregoing mailed/delivered
13 this 31st day of January, 2012 to:

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