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BEFORE THE ARIZONA CORPORATION

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

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

2012 SEP 11 A 11:15

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ARIZONA CORPORATION COMMISSION DOCKET CONTROL

DOCKETED BY	<i>JM</i>
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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 NORTHERN GROUP AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01445A-12-0348

PROCEDURAL ORDER

BY THE COMMISSION:

On August 1, 2012, Arizona Water Company ("AWC") filed with the Arizona Corporation Commission ("Commission") an application requesting adjustments to its rates and charges for utility service provided by its Northern Group water systems, including its Navajo (Lakeside and Overgaard) and Verde Valley (Sedona, Pinewood, and Rimrock) water systems. AWC's rate application uses a test year ending December 31, 2011. In addition to requesting an overall increase in revenue, AWC's application proposes extension of its arsenic cost recovery mechanism ("ACRM") authorization, approved for the Sedona and Rimrock water systems in Decision No. 66400 (October 16, 2003), to the Navajo water systems; full rate consolidation of the Sedona system's rates with those of the other Verde Valley systems; authorization to implement a Distribution System Improvement Charge ("DSIC") for its Northern Group systems; and authorization to implement Off-Site Facilities Fees of \$1,100 and up for new service connections in the Sedona water system's service area. The application also mentions continued authorization of a MAP surcharge.

On August 30, 2012, the Commission's Utilities Division ("Staff") filed a Letter of Sufficiency stating that AWC's rate application had met the sufficiency requirements outlined in Arizona Administrative Code ("A.A.C.") R14-2-103 and that AWC had been classified as a Class A

1 Utility.

2 AWC currently has a permanent rate case application pending for its Eastern Group water
3 system, which application was filed while the permanent rate case application for AWC's Western
4 Group water system was already pending. Thus, while best efforts should and will be used to process
5 both currently pending AWC rate case applications in a timely fashion consistent with A.A.C. R14-2-
6 103 requirements, the timeline required by A.A.C. R14-2-103 expressly does not apply to either
7 pending AWC permanent rate case application, as provided by A.A.C. R14-2-103(B)(11)(g).

8 It is now reasonable and appropriate to schedule a procedural conference to discuss the
9 scheduling for this matter.

10 IT IS THEREFORE ORDERED that a **procedural conference** shall be held in this matter on
11 **September 18, 2012, at 1:00 p.m.**, in Hearing Room No. 1 at the Commission's offices at 1200 West
12 Washington Street, Phoenix, Arizona 85007, for the purpose of discussing the scheduling for this
13 matter.

14 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
15 31 and 38 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

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

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

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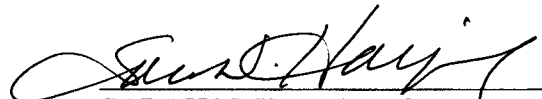
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1 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
2 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
3 hearing.

4 DATED this 11th day of September, 2012.

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7 SARAH N. HARPRING
8 ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered
this 11th day of September, 2012, to:

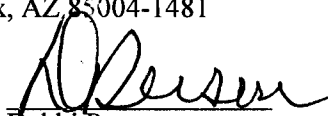
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