

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 JEFF HATCH-MILLER, Chairman  
4 WILLIAM A. MUNDELL  
5 MARC SPITZER  
6 MIKE GLEASON  
7 KRISTIN K. MAYES

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AZ CORP COMMISSION  
DOCUMENT CONTROL

8 IN THE MATTER OF THE APPLICATION OF  
9 ARIZONA PUBLIC SERVICE COMPANY FOR A  
10 HEARING TO DETERMINE THE FAIR VALUE  
11 OF THE UTILITY PROPERTY OF THE  
12 COMPANY FOR RATEMAKING PURPOSES, TO  
13 FIX A JUST AND REASONABLE RATE OF  
14 RETURN THEREON, TO APPROVE RATE  
15 SCHEDULES DESIGNED TO DEVELOP SUCH  
16 RETURN, AND TO AMEND DECISION NO.  
17 67744.

DOCKET NO. E-01345A-05-0816

**AMENDED**  
**RATE CASE**  
**PROCEDURAL ORDER**

18 **BY THE COMMISSION:**

19 On November 4, 2005, the Arizona Public Service Company ("APS") filed an application  
20 with the Arizona Corporation Commission ("Commission") for a rate increase and to amend Decision  
21 No. 67744 (April 7, 2005).

22 On February 24, 2006, the Utilities Division Staff ("Staff") of the Commission filed a letter  
23 stating that the application was found sufficient and classified the applicant as a Class A utility.

24 On March 20, 2006, Staff filed a Request for Procedural Order which set forth Staff's  
25 proposed schedule.

26 On March 28, 2006, by Procedural Order, a hearing and deadlines were established pursuant  
27 to Staff's recommended schedule.

28 On March 30, 2006, the Residential Utilities Consumer Office ("RUCO") filed a Motion to  
Modify the Procedural Schedule.

On April 4, 2006, RUCO filed a Notice of Agreement to Revised Schedule.

Accordingly, the procedural schedule should be modified to reflect the agreed-upon dates.

IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall  
commence on **October 10, 2006, at 10:00 a.m.** or as soon thereafter as is practical, at the  
Commission's offices, 1200 West Washington Street, Arizona 85007.

1 IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **October 5,**  
2 **2006 at 1:30 p.m.**, at the Commission's Phoenix offices, for the purpose of scheduling witnesses  
3 and the conduct of the hearing.

4 IT IS FURTHER ORDERED that the **Staff Report and/or any testimony and associated**  
5 **exhibits to be presented at hearing on behalf of Staff on all issues except for rate design** shall be  
6 reduced to writing and **filed on or before August 18, 2006, and on rate design issues on or before**  
7 **noon on September 1, 2006.**

8 IT IS FURTHER ORDERED that any **testimony and associated exhibits to be presented at**  
9 **hearing on behalf of intervenors on all issues except rate design** shall be reduced to writing and  
10 **filed on or before August 18, 2006, and on rate design issues on or before noon on September 1,**  
11 **2006.**

12 IT IS FURTHER ORDERED that any **rebuttal testimony and associated exhibits to be**  
13 **presented at hearing by APS** shall be reduced to writing and **filed on or before noon on**  
14 **September 15, 2006.**

15 IT IS FURTHER ORDERED that any **surrebuttal testimony and associated exhibits to be**  
16 **presented by the Staff or intervenors** shall be reduced to writing and **filed on or before September**  
17 **27, 2006.**

18 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits to be**  
19 **presented at the hearing on behalf of APS** shall be reduced to writing and **filed on or before noon**  
20 **on October 4, 2006.**

21 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m. on the date the**  
22 **filing is due, unless otherwise indicated above.**

23 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have  
24 been prefiled as of October 5, 2006, shall be made before or at the October 5, 2006 pre-hearing  
25 conference.

26 IT IS FURTHER ORDERED that all testimony filed shall include a table of contents which  
27 lists the issues discussed.  
28

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

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

7 IT IS FURTHER ORDERED that copies of summaries should be served upon the Presiding  
8 Officer, the Commissioners, and the Commissioners' aides as well as the parties of record.

9 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,  
10 except that all motions to intervene must be filed on or before August 8, 2006.

11 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and  
12 regulations of the Commission, except that: any objection to discovery requests shall be made within  
13 7 days<sup>1</sup> of receipt and responses to discovery requests shall be made within 10 days of receipt; the  
14 response time may be extended by mutual agreement of the parties involved if the request requires an  
15 extensive compilation effort; and no discovery requests shall be served after October 6, 2006.

16 IT IS FURTHER ORDERED that discovery requests, objections, and answers may be served  
17 electronically.<sup>2</sup>

18 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel  
19 discovery, any party seeking resolution of a discovery dispute may telephonically contact the  
20 Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery  
21 dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and  
22 that the party making such a request shall forthwith contact all other parties to advise them of the  
23 hearing date and shall at the hearing provide a statement confirming that the other parties were  
24 contacted.<sup>3</sup>

25  
26 <sup>1</sup> "Days" means calendar days. The date of receipt of discovery requests is not counted as a day, and requests  
received after 4:00 p.m. MST will be considered as received the next business day.

27 <sup>2</sup> If requested by the receiving party, and the sending party has the technical capability, service electronically is  
mandatory.

28 <sup>3</sup> The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations  
before seeking Commission resolution of the controversy.

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

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

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

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

11  
12 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF ARIZONA PUBLIC**  
13 **SERVICE COMPANY FOR A RATE INCREASE**  
14 **AND TO AMEND DECISION NO. 67744**  
**DOCKET NUMBER E-01345A-05-0816**

15 On November 4, 2005, Arizona Public Service Company, ("APS") filed an application  
16 with the Arizona Corporation Commission for a permanent base rate increase of \$405  
17 million or 19.73 percent on average, and for approval to amend Decision No. 67744.  
18 On January 31, 2006, the Company filed an amended application for a \$449.6 million  
19 increase (21.1 percent on average) in base rates. The actual percentage rate increase  
20 for individual customers will vary depending upon the type and quantity of service  
provided. Copies of APS' application and proposed tariffs are available at its office  
[insert address and telephone number] and the Commission's offices at 1200 West  
Washington, Phoenix, Arizona, for public inspection during regular business hours  
and on the internet via the Commission website ([www.azcc.gov](http://www.azcc.gov)) using the e-docket  
function.

21 The Commission will hold a hearing on this matter beginning **October 10, 2006 at**  
22 **10:00 a.m.** at the Commission's offices, 1200 West Washington, Phoenix, Arizona.  
23 Public comments will be taken on the first day of the hearing. Written public  
24 comments may be submitted via email (visit  
<http://www.azcc.gov/utility/cons/index.htm> for instructions), or by mailing a letter  
25 referencing Docket Number E-01345A-05-0816 to: Arizona Corporation Commission,  
Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007.

26 The law provides for an open public hearing at which, under appropriate  
27 circumstances, interested parties may intervene. Intervention shall be permitted to any  
28 person entitled by law to intervene and having a direct and substantial interest in the  
matter. Persons desiring to intervene must file a written motion to intervene with the  
Commission, which motion should be sent to APS or its counsel and to all parties of  
record, and which, at the minimum, shall contain the following:

- 1           1.     The name, address, and telephone number of the proposed intervenor  
2           and of any party upon whom service of documents is to be made if  
            different than the intervenor.
- 3           2.     A short statement of the proposed intervenor's interest in the  
4           proceeding (e.g., a customer, stockholder of APS, etc.).
- 5           3.     A statement certifying that a copy of the motion to intervene has been  
            mailed to APS or its counsel and to all parties of record in the case.

6           The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except  
7           that all motions to intervene must be filed on or before August 8, 2006. For  
8           information about requesting intervention, visit the Arizona Corporation  
9           Commission's webpage at <http://www.azcc.gov/utility/forms/index.htm>. The granting  
10          of intervention, among other things, entitles a party to present sworn evidence at  
11          hearing and to cross-examine other witnesses. However, failure to intervene will not  
12          preclude any customer from appearing at the hearing and making a statement on such  
13          customer's own behalf.

14          The Commission does not discriminate on the basis of disability in admission to its  
15          public meetings. Persons with a disability may request a reasonable accommodation  
16          such as a sign language interpreter, as well as request this document in an alternative  
17          format, by contacting the ADA Coordinator Linda Hogan, E-mail [Lhogan@azcc.gov](mailto:Lhogan@azcc.gov),  
18          voice phone number 602/542-3931. Requests should be made as early as possible to  
19          allow time to arrange the accommodation.

20          IT IS FURTHER ORDERED that APS shall mail to each of its customers a copy of the above  
21          notice either as a bill insert beginning with the current billing cycle, or by special mailing concluding  
22          no later than May 31, 2006, and shall cause the above notice to be published at least twice in a  
23          newspaper of general circulation in all its service territories, with publication to be completed no later  
24          than May 31, 2006.

25          IT IS FURTHER ORDERED that APS shall file certification of mailing/publication as soon  
26          as practicable after the mailing/publication has been completed.

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

            IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized  
Communications) applies to this proceeding as the matter is now set for public hearing.

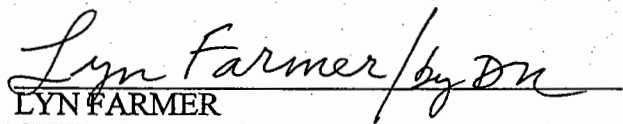
            IT IS FURTHER ORDERED that the time periods specified herein shall not be extended  
pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

            IT IS FURTHER ORDERED that all parties must comply with Rule 33(c) and (d) of the  
Rules of the Arizona Supreme Court with respect to practice of law and admission *pro hac vice*.

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

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

9 Dated this 5<sup>th</sup> day of April, 2006

10  
11   
12 LYN FARMER  
13 CHIEF ADMINISTRATIVE LAW JUDGE

14 Copies of the foregoing mailed/delivered  
15 this 5<sup>th</sup> day of April, 2006 to:

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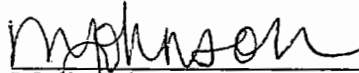
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By:   
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Secretary to Lyn Farmer