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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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COMMISSIONERS

MIKE GLEASON, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

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AZ CORP COMMISSION  
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IN THE MATTER OF THE APPLICATION OF  
SOUTHWEST GAS CORPORATION FOR THE  
ESTABLISHMENT OF JUST AND REASONABLE  
RATES AND CHARGES DESIGNED TO  
REALIZE A REASONABLE RATE OF RETURN  
ON THE FAIR VALUE OF ITS PROPERTIES  
THROUGHOUT ARIZONA.

DOCKET NO. G-01551A-07-0504

RATE CASE  
PROCEDURAL ORDER

**BY THE COMMISSION:**

On August 31, 2007, Southwest Gas Corporation ("Southwest Gas," "Company," or "Applicant") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase.

On September 25, 2007, Southwest Gas filed revised Supporting Schedule A-2 in its Application.

On October 1, 2007, the Utilities Division Staff ("Staff") of the Commission filed a letter stating that the application was found sufficient and classifying the Applicant as a Class A utility.

On October 16, 2007, the Residential Utility Consumer Office ("RUCO") filed an Application to Intervene.

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

IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall commence on **June 16, 2008, at 10:00 a.m.** or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street, Arizona 85007.

IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **June 5, 2008 at 10:00 a.m.**, at the Commission's Phoenix offices, for the purpose of scheduling witnesses and the

1 conduct of the hearing.

2 IT IS FURTHER ORDERED that the **Staff Report and/or any testimony** and associated  
3 exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before  
4 **noon on March 28, 2008.**

5 IT IS FURTHER ORDERED that any **testimony and associated exhibits to be presented at**  
6 **hearing on behalf of intervenors** shall be reduced to writing and filed on or before **noon on March**  
7 **28, 2008.**

8  
9 IT IS FURTHER ORDERED that any **rebuttal testimony and associated exhibits to be**  
10 **presented at hearing by Southwest Gas** shall be reduced to writing and filed on or before **April 29,**  
11 **2008.**

12 IT IS FURTHER ORDERED that any **surrebuttal testimony and associated exhibits to be**  
13 **presented by the Staff or intervenors** shall be reduced to writing and filed on or before **May 20,**  
14 **2008.**

15 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits to be**  
16 **presented at the hearing on behalf of Southwest Gas** shall be reduced to writing and filed on or  
17 before **June 3, 2008.**

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

20 IT IS FURTHER ORDERED that any **objections to testimony or exhibits that have been**  
21 **prefiled as of June 5, 2008, shall be made before or at the June 5, 2008, pre-hearing conference.**  
22 **In addition, each of the parties shall individually prepare, and bring to the pre-hearing**  
23 **conference, copies of a matrix setting forth what each party believes are the remaining disputed**  
24 **issues and what issues have been resolved.**

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

27 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to  
28 pre-filed testimony shall be reduced to writing and filed no later than five days before the witness is

1 scheduled to testify.

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

5 IT IS FURTHER ORDERED that copies of summaries should be served upon the  
6 Administrative Law Judge, the Commissioners, and the Commissioners' aides as well as the parties  
7 of record.

8 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,  
9 except that **all motions to intervene must be filed on or before March 17, 2008.**

10 IT IS FURTHER ORDERED that RUCO's Application to Intervene shall be granted.

11  
12 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and  
13 regulations of the Commission, except that: until April 30, 2008, any objection to discovery requests  
14 shall be made within 7 days<sup>1</sup> of receipt and responses to discovery requests shall be made within 10  
15 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and responses  
16 shall be made within 7 days. The response time may be extended by mutual agreement of the parties  
17 involved if the request requires an extensive compilation effort.

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

20 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel  
21 discovery, any party seeking resolution of a discovery dispute may telephonically contact the  
22 Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery  
23 dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and  
24 that the party making such a request shall forthwith contact all other parties to advise them of the  
25

26  
27 <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.

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

1 hearing date and shall at the hearing provide a statement confirming that the other parties were  
2 contacted.<sup>3</sup>

3 IT IS FURTHER ORDERED that any motions which are filed in this matter and which are  
4 not ruled upon by the Commission within 15 days of the filing date of the motion shall be deemed  
5 denied.

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

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

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

13 **PUBLIC NOTICE OF HEARING ON THE APPLICATION FOR RATE INCREASE**  
14 **OF SOUTHWEST GAS CORPORATION**  
**DOCKET NUMBER G-01551A-07-0504**

15 **Summary of Southwest Gas's Application**

16 On August 31, 2007, Southwest Gas Corporation ("Southwest Gas" or "Company")  
17 filed an application with the Arizona Corporation Commission for a permanent base  
18 rate revenue increase of approximately \$50.2 million, or 4.81 percent over current  
19 revenues. For single-family residential customers, the Company's application requests  
20 an increase in the fixed monthly customer charge from the current \$9.70 to \$12.80. If  
21 Southwest Gas's proposal were to be adopted, single-family residential customers  
would experience an increase of 11.23 percent for average monthly usage (13 therms)  
during the summer season, and an increase of 5.40 percent for average monthly usage  
(43 therms) during the winter season. The actual percentage rate increase for  
individual customers would vary depending upon the type and quantity of service  
provided. You may contact Southwest Gas to determine what the effect of the  
Company's proposal may be on your individual bill.

22 The Commission's Utilities Division Staff ("Staff") is in the process of auditing and  
23 analyzing Southwest Gas's application and Staff has not yet made any  
24 recommendations regarding the Company's proposed rate increase. The Residential  
25 Utility Consumer Office is a party to this proceeding and will also analyze the  
26 application and make recommendations to the Commission. The Commission will  
determine the appropriate rate adjustment to be granted based on its consideration of  
the evidence presented by the parties. However, the Commission is not bound by the  
proposals made by the Company, Staff, or any intervenors and, therefore, the final

27  
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 rates approved by the Commission may be higher or lower than the rates proposed by  
2 Southwest Gas.

3 **How You Can View or Obtain a Copy of the Rate Proposal**

4 Copies of Southwest Gas's application and proposed tariffs are available upon request  
5 by contacting the Company at [COMPANY SHOULD INSERT NAME,  
6 ADDRESS, TELEPHONE NUMBRE, AND E-MAIL ADDRESS FOR  
7 CUSTOMER CONTACTS REGARDING THE APPLICATION]. Copies of the  
8 application are also available at the Commission's offices at 1200 West Washington,  
9 Phoenix, Arizona, for public inspection during regular business hours and on the  
10 internet via the Commission website ([www.azcc.gov](http://www.azcc.gov)) using the e-docket function.

11 **Arizona Corporation Commission Public Hearing Information**

12 The Commission will hold a hearing on this matter beginning **June 16, 2008 at 10:00**  
13 **a.m.** at the Commission's offices, 1200 West Washington, Phoenix, Arizona. Public  
14 comments will be taken on the first day of the hearing. Written public comments may  
15 be submitted via email (visit <http://www.azcc.gov/utility/cons/index.htm> for  
16 instructions), or by mailing a letter referencing Docket Number E-01345A-05-0816 to:  
17 Arizona Corporation Commission, Consumer Services Section, 1200 West  
18 Washington, Phoenix, AZ 85007.

19 **Information Regarding Intervenor Status**

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

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

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except  
that all motions to intervene must be filed on or before **March 17, 2008**. For  
information about requesting intervention, visit the Arizona Corporation  
Commission's webpage at <http://www.azcc.gov/utility/forms/index.htm>. The granting  
of intervention, among other things, entitles a party to present sworn evidence at  
hearing and to cross-examine other witnesses. However, failure to intervene will not  
preclude any customer from appearing at the hearing and making a statement on such  
customer's own behalf.

**ADA/Equal Access Information**

The Commission does not discriminate on the basis of disability in admission to its  
public meetings. Persons with a disability may request a reasonable accommodation  
such as a sign language interpreter, as well as request this document in an alternative  
format, by contacting the ADA Coordinator Linda Hogan, E-mail [Lhogan@azcc.gov](mailto:Lhogan@azcc.gov),

1 voice phone number 602/542-3931. Requests should be made as early as possible to  
2 allow time to arrange the accommodation.

3 IT IS FURTHER ORDERED that Southwest Gas shall mail to each of its customers a copy of  
4 the above notice either as a bill insert beginning with the first billing cycle in **December 2007**, or by  
5 special mailing concluding no later than **December 31, 2007**, and shall cause the above notice to be  
6 published at least twice in a newspaper of general circulation in all its service territories, with  
7 publication to be completed no later than **December 31, 2007**.

8 IT IS FURTHER ORDERED that Southwest Gas shall file certification of mailing/publication  
9 as soon as practicable after the mailing/publication has been completed.

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

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

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

16 IT IS FURTHER ORDERED that the intervention granted herein is conditioned upon the  
17 intervenor obtaining counsel to represent the intervenor, if required by Rule 31 of the Rules of the  
18 Arizona Supreme Court, and such counsel filing a notice of appearance with the Commission, within  
19 30 days of the date of this Procedural Order. This condition will also apply to any persons or entities  
20 that are subsequently granted intervention.

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

27 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized  
28 Communications) applies to this proceeding and shall remain in effect until the Commission's

1 Decision in this matter is final and non-appealable.

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

5 Dated this 23<sup>rd</sup> day of October, 2007.

6 

7  
8 DWIGHT D. NODES  
9 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

10 Copies of the foregoing mailed/delivered  
11 This 23<sup>rd</sup> day of October, 2007, to:

12 Debra Jacobson  
13 SOUTHWEST GAS CORPORATION  
14 P.O. Box 98510  
15 Las Vegas, NV 89193-8510


16 Karen S. Haller  
17 SOUTHWEST GAS CORPORATION  
18 5241 Spring Mountain Road  
19 Las Vegas, NV 89150

20 Scott S. Wakefield  
21 RUCO  
22 1110 West Washington, Suite 220  
23 Phoenix, AZ 85007

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

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

ARIZONA REPORTING SERVICE INC.  
2200 N. Central Ave., Suite 502  
Phoenix, AZ 85004

By:   
Debbi Person  
Secretary to Dwight Nodes