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BEFORE THE ARIZONA CORPORATION COMMISSION

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MARC SPITZER, Chairman
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JEFF HATCH-MILLER
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ARIZONA CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF
PALO VERDE UTILITIES COMPANY FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE
OF CONVENIENCE AND NECESSITY.

DOCKET NO. SW-03575A-03-0586

IN THE MATTER OF THE APPLICATION OF
SANTA CRUZ WATER COMPANY FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE
OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-03576A-03-0586

PROCEDURAL ORDER

BY THE COMMISSION:

On August 18, 2003, Palo Verde Utilities Company and Santa Cruz Water Company ("Applicants") jointly filed an application in the respective, above-captioned dockets seeking to extend their Certificates of Convenience and Necessity ("CC&N") to various specified areas of Pinal County, Arizona.

On September 5, 2003, the Arizona Corporation Commission ("Commission") Utilities Division ("Staff") filed its Sufficiency Letter indicating that the Applicants' application has met the sufficiency requirements of A.A.C. R14-2-402(C) and R14-2-602(B). Accordingly, this matter should be set for hearing.

On August 28, 2003, Sonoran Utility Services, L.L.C. ("Sonoran"), on behalf of 387 Domestic Water Improvement District and 387 Wastewater Improvement District (jointly, the "Districts") filed a Motion for Leave to Intervene. On August 28, 2003, Sonoran withdrew its request for intervention on behalf of the Districts. Sonoran stated that it has not in the past, nor does it presently represent Pinal County or the Districts.

On August 28, 2003, Sonoran filed a Motion for Leave to Intervene on behalf of itself. Sonoran claims that the Districts have contracted with Sonoran "to manage the organization and operation of the Districts' business within their authorized boundaries." In support of its intervention

1 request, Sonoran contends that its interests are directly and substantially affected by these
2 proceedings because a significant portion of the requested extension area lies within the Districts'
3 boundaries.

4 On September 3, 2003, Staff filed a Response in opposition to Sonoran's August 28, 2003
5 Motion for Leave to Intervene. Staff argues that Sonoran has not shown a direct and substantial
6 interest in this matter because Sonoran has expressly stated that it does not represent the Districts or
7 Pinal County. Staff contends that Sonoran has not offered any support for its claim that granting the
8 requested extension would be illegal. Staff further asserts that the Districts are in the best position to
9 represent their interests in these proceedings.

10 On September 12, 2003, Sonoran filed a Reply to Staff's Response to the Motion to Intervene.
11 Sonoran claims that, as the contracted manager for the Districts, it will be directly affected by the
12 Commission's decision. Sonoran also argues that its interest in this matter does not need to be
13 defended by the Districts because, although their interests are similar, they are not identical. Sonoran
14 also points to its intervention in the Applicants' recent extension application as an indication of the
15 legitimacy of its status as an intervenor.

16 A Procedural Conference shall be held on October 14, 2003, at 1:30 p.m., to discuss the
17 arguments raised regarding Sonoran's request for intervention in these proceedings.

18 On September 22, 2003, the Applicants filed a Notice of Deletion of Certain Properties from
19 the Applicants' Extension Request and Revision to Legal Description. The Applicants state that they
20 have received notice from three developers, Desert Cedars Equities, LLC, HAM Maricopa, LLC, and
21 Land Solutions Maricopa, LLC, withdrawing their original requests for service. In accordance with
22 the developers' notice, the Applicants request that the application be amended to delete the three
23 properties from the proposed CC&N extension, and to amend the legal description in accordance with
24 the deletion.

25 IT IS THEREFORE ORDERED a Procedural Conference shall be conducted on October 14,
26 at 1:30 p.m., at the offices of the Commission, to discuss the intervention request filed by Sonoran
27 Utility Services, LLC.

28

1 IT IS FURTHER ORDERED that the hearing in the above-captioned matter shall be held on
2 December 8, 2003, at 10:00 a.m., or as soon thereafter as is practical, at the Commission's offices,
3 1200 West Washington Street, Phoenix, Arizona.

4 IT IS FURTHER ORDERED that Staff shall file its Staff Report in this matter by November
5 14, 2003.

6 IT IS FURTHER ORDERED that the Applicants shall file their response, if any, to the Staff
7 Report by November 28, 2003.

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 November 14, 2003.

10 IT IS FURTHER ORDERED that the Applicants shall serve public notice of the hearing in
11 this matter, in the following form and style:

12 **PUBLIC NOTICE OF HEARING ON APPLICATION BY**
13 **PALO VERDE UTILITIES COMPANY AND**
14 **SANTA CRUZ WATER COMPANY FOR**
15 **EXTENSIONS OF THEIR CERTIFICATES OF CONVENIENCE**
16 **AND NECESSITY TO PROVIDE WATER AND WASTEWATER SERVICES IN**
17 **PINAL COUNTY, ARIZONA**
18 **DOCKET NOS. SW-03575A-03-0586 and W-03576A-03-0586**

19 On August 18, 2003, Palo Verde Utilities Company and Santa Cruz Water
20 Company ("Applicants") jointly filed an application in the respective, above-captioned
21 dockets seeking to extend their Certificates of Convenience and Necessity ("CC&N")
22 to various specified areas of Pinal County, Arizona.

23 The application is available for inspection during regular business hours at the
24 offices of the Commission in Phoenix, at 1200 West Washington Street, Phoenix,
25 Arizona and at the Applicants' offices, [insert applicants' addresses].

26 The Commission will hold a hearing on this matter on **December 8, 2003, at**
27 **10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices, 1200
28 West Washington Street, Phoenix, Arizona. As a property owner or customer you
may have the right to intervene in the proceeding. If you do not want to intervene, you
may appear at the hearing and make a statement on your own behalf. Intervention
shall be permitted to any person entitled by law to intervene and having a direct and
substantial interest in the matter. Persons desiring to intervene must file a written
notice to intervene with the Commission, which motion should be sent to the
Applicant or their counsel and to all parties of record, and which, at the minimum,
shall contain the following:

1. The name, address, and telephone number of the proposed intervenor
and of any party upon whom service of documents is to be made if
different than the intervenor.

1 2. A short statement of the proposed intervenors interest in the proceeding
(e.g., a customer of the Applicant, a shareholder or member of the
2 Applicant, etc.)

3 3. A statement certifying that a copy of the motion to intervene has been
4 mailed to the Company or its counsel and to all parties of record in the
5 case.

6 The granting of motions to intervene shall be governed by A.A.C. R14-3-105,
7 except that all motions to intervene must be filed on or before November 14, 2003.
8 The granting of intervention, among other things, entitles a party to present sworn
9 evidence at hearing and to cross-examine other witnesses. However failure to
10 intervene will not preclude any customer from appearing at the hearing and making a
11 statement on such customer's own behalf. However, you will not receive any further
12 notice of the proceeding unless requested by you.

13 If you have any questions or concerns about this application or have any
14 objections to its approval, or wish to make a statement in support of it, you may write
15 the Consumer Services Section of the Commission at 1200 West Washington Street,
16 Phoenix, Arizona 85007 or call 1-800-222-7000 or appear at the hearing and make
17 comment.

18 The Commission does not discriminate on the basis of disability in admission to
19 its public meetings. Persons with a disability may request a reasonable accommodation
20 such as a sign language interpreter, as well as request this document in an alternative
21 format, by contacting the ADA Coordinator, voice phone number 602/542-3931.
22 Requests should be made as early as possible to allow time to arrange the
23 accommodation.

24 IT IS FURTHER ORDERED that the Applicants shall mail to all property owners in the
25 affected service area a copy of this notice by first-class U.S. Mail, to begin as soon as possible and to
26 be completed on or before October 24, 2003.

27 IT IS FURTHER ORDERED that the Applicants shall publish a copy of the notice in a
28 newspaper of general circulation in their service areas.

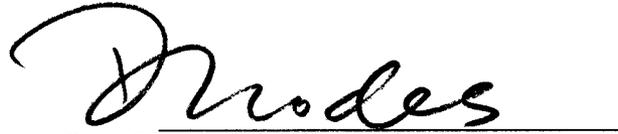
IT IS FURTHER ORDERED that the Applicants shall file certification of mailing/publication
as soon as practicable after the mailing/publication has been completed, but no later than November
28, 2003.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing/publication,
notwithstanding the failure of an individual property owner or 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.

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

3 DATED this 2nd day of October, 2003.

4
5 

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

10 Copies of the foregoing mailed
11 this 2nd day of October, 2003 to:

12 Jay Shapiro
13 FENNEMORE CRAIG
14 3003 North Central Avenue, Ste. 2600
15 Phoenix, AZ 85012
16 Attorneys for Applicants

17 Kent A Hoggan
18 3799 E. Catamount Ridge Way
19 Sandy, Utah 84092

20 Brent D. Butcher
21 3975 S. Highland Dr., #6
22 Salt Lake City, Utah 84124

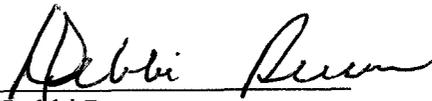
23 Clare H. Abel
24 BURCH & CRACCHIOLO, P.A.
25 702 East Osborn Road
26 Phoenix, AZ 85014
27 Attorneys for HAM Maricopa, LLC, Desert Cedars
28 Equities, LLC, and Land Solutions Maricopa, LLC

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1200 West Washington Street
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1 Ernest Johnson, Director
2 Utilities Division
3 ARIZONA CORPORATION COMMISSION
4 1200 West Washington Street
5 Phoenix, Arizona 85007

6 ARIZONA REPORTING SERVICE, INC.
7 2627 N. Third Street, Suite Three
8 Phoenix, Arizona 85004-1104

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Debbi Person
Secretary to Dwight D. Nodes