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Arizona Corporation Commission

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AZ CORP COMMISSION
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5 IN THE MATTER OF THE JOINT
6 APPLICATION BETWEEN CITIZENS
7 UTILITIES COMPANY AND CAP ROCK
8 ENERGY CORPORATION FOR THE
9 APPROVAL OF THE SALE OF CERTAIN
10 ELECTRIC UTILITY PROPERTIES IN
11 ARIZONA AND THE TRANSFER OF THE
12 CERTIFICATE OF CONVENIENCE AND
13 NECESSITY FROM CITIZENS TO CAP
14 ROCK

Docket No. E-01032A-00-0163
Docket No. E-01032B-00-0163
Docket No. E-01032C-00-0163
Docket No. E-03851A-00-0163

**MEMORANDUM IN SUPPORT OF
JOINT MOTION TO SUSPEND
THE PROCEDURAL SCHEDULE**

15 Cap Rock and Citizens ("the applicants") have filed a Joint Motion to Suspend The
16 Procedural Schedule in which the applicants request that the procedural schedule in the
17 above-captioned matter be suspended pending further notice. As a condition of this
18 suspension, the applicants will provide a comprehensive status report to all interested parties
19 to the proceeding no later than November 17, 2000, at which time the continued suspension
20 of the procedural schedule will be revisited. As indicated in the Joint Motion, all parties
21 except for the Arizona Corporation Commission Staff ("Staff") have agreed to the motion.

22 It is the applicants' understanding that the Staff is inclined to request that the
23 applicants completely withdraw their pending application if the applicants are unable to
24 present their full case by November 17, 2000.

25 The applicants have been diligently working on the transaction; however in light of a
26 number of events, most recently the unanticipated and substantial increase in purchased
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1 power costs, attention has been diverted to resolving these issues and has resulted in the need
2 to restructure parts of the transaction. While the applicants understand, and share Staff's
3 frustration with the delays, the applicants can not agree to withdraw the application in its
4 entirety on a date certain. The applicants may be in a position to present the details of any
5 modified transaction on November 17, 2000, and yet not be in a position to file all testimony
6 and supporting documents at that time. Nevertheless they may be able to propose a
7 definitive schedule for filing testimony and responding to discovery related to the modified
8 transaction. Substantial time and effort has been devoted to discovery in this proceeding and
9 the applicants anticipate that even if some aspects of the transaction change, a good portion
10 of the discovery already conducted will remain relevant for purposes of analyzing the
11 transaction.
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15 Even if the transaction is modified, not all aspects of the transaction will change and it
16 would be premature to agree to start over without at least being given the opportunity to
17 spend the next month continuing to work on these issues. Granting the applicants' request
18 will not only benefit the applicants, but will be beneficial for all parties in this proceeding
19 because it may preserve some of the time and effort which has been expended to date on
20 intervening, conducting discovery and drafting testimony.
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22 If the applicants are unable to modify the transaction within a reasonable period of
23 time, the application will be withdrawn in due course anyway. At this point however, the
24 applicants are requesting additional time to try to resolve their outstanding issues with the
25 understanding that they will be obligated to report back to the Commission within one
26 month.
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1 Wherefore, for the foregoing reasons, the applicants respectfully request the Joint
2 Motion To Suspend The Procedural Schedule be granted.
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5 Dated: October 18th, 2000

Dated: October 18th, 2000

6 
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