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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION)	DOCKET NO.
OF LITCHFIELD PARK SERVICE)	W-01427A-01-0487
COMPANY FOR AN INCREASE IN ITS)	WS-01428A-01-0487
WATER AND WASTEWATER RATES FOR)	
CUSTOMERS WITHIN MARICOPA COUNTY,)	
ARIZONA.)	PREHEARING
)	CONFERENCE

At: Phoenix, Arizona
 Date: April 1, 2002
 Filed: **APR 18 2002**

REPORTER'S TRANSCRIPT OF PROCEEDINGS

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1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly to be heard before
3 the Arizona Corporation Commission, 1200 West
4 Washington Street, Phoenix, Arizona, commencing at
5 10:00 a.m. on the 1st day of April, 2002.

6 BEFORE: MR. DWIGHT D. NODES, Administrative Law Judge
7

8 APPEARANCES:

9 JASON GELLMAN, Attorney, Legal Division,
10 on behalf of Staff of the Arizona
Corporation Commission;

11 SALLQUIST & DRUMMOND, P.C., By: Mr. Richard L.
12 Sallquist, Attorney, on behalf of Litchfield
Park Service Company;

13 MARTINEZ & CURTIS, P.C., By: Mr. William
14 Sullivan, Attorney, on behalf of the City
of Litchfield Park;

15 RESIDENTIAL UTILITY CONSUMER OFFICE, By:
16 Mr. Scott Wakefield, Attorney.

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MICHELE E. BALMER
Certified Court Reporter
CCR No. 50489

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1 ALJ NODES: The Arizona Corporation Commission
2 has set for prehearing conference at this time and
3 place Docket No. W-01427A-01-0487, and Docket
4 WS-01428A-01-0487, being in the matter of the
5 application of Litchfield Park Service Company for an
6 increase in its water and wastewater rates for
7 customers within Maricopa County, Arizona.

8 My name is Dwight Nodes. I'm the
9 Administrative Law Judge assigned to this proceeding.

10 And first off, I'll take appearances. On
11 behalf of the company?

12 MR. SALLQUIST: Thank you, Your Honor. Let the
13 record show the appearance of Richard L. Sallquist of
14 Sallquist & Drummond on behalf of the Applicant
15 Litchfield Park Service Company.

16 ALJ NODES: Okay. On behalf of RUCO?

17 MR. WAKEFIELD: Scott Wakefield for the
18 Residential Utility Consumer Office.

19 ALJ NODES: On behalf of the City of Litchfield
20 Park?

21 MR. SULLIVAN: William Sullivan of the law firm
22 Martinez & Curtis on behalf of the City of Litchfield
23 Park.

24 ALJ NODES: And let's see. And is Mr. Poulos
25 here on behalf of Pebble Creek Properties?

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1 Okay. Not here.

2 And on behalf of Staff?

3 MR. GELLMAN: Good morning, Your Honor. Jason
4 Gellman on behalf of Commission Staff.

5 ALJ NODES: Thank you.

6 Are there any preliminary matters that anyone
7 wants to bring up before we start talking about order
8 of witnesses and those types of things?

9 MR. SULLIVAN: I thought, if it would behoove
10 the Administrative Law Judge, it might be appropriate
11 to take a five-minute break. We would like to talk to
12 the parties and just let them know where we are with
13 regard to the settlement agreement and how we plan on
14 proceeding today.

15 MR. SALLQUIST: So that we can lay that on the
16 record, I think we should state -- and I appreciate
17 Mr. Sullivan's comment.

18 I believe we should state the parties have had
19 substantial negotiations over the last several days,
20 and we believe we have reached an agreement. We have
21 reached an agreement and signed a form with all of the
22 parties except the City of Litchfield Park.

23 And I think we're willing to present some
24 witnesses, but continuing may be helpful as
25 Mr. Sullivan suggests to take a five-minute break if

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1 there's something that he can offer at this point, and
2 then go back on the record and mark exhibits and talk
3 witness sequences.

4 ALJ NODES: That sounds fine. And we'll take a
5 five-minute break. And you think you just need five
6 minutes?

7 MR. SULLIVAN: I just want to let him know what
8 our procedure is going to be.

9 ALJ NODES: That's fine.

10 (A recess was taken from 10:05 a.m. to
11 10:20 a.m.)

12 ALJ NODES: Back on the record.

13 It appears that we are going to have a much
14 less extensive cross examination, and perhaps little or
15 none. But in any event, let's go through and see what
16 orders of witnesses everyone wants to proceed with.

17 Do you expect to just have one? Each party is
18 going to just have one witness, then, that gets on the
19 stand and sponsors the stipulation? Is that the plan?

20 MR. SALLQUIST: Your Honor, I think that is the
21 plan. We would hope to present the prefilled
22 application and exhibit through Dan L. Neidlinger as
23 one of our witnesses.

24 We've been advised off the record that the City
25 may be filing an additional letter addressing some of

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1 the issues that they have. In the event it is
2 necessary, we may need to call our other witness,
3 David B. Ellis, to comment on that. He would not be
4 cross examining the mayor, obviously, or we would not
5 be cross examining the mayor. But depending on the
6 content of the letter, provide additional comment if
7 Mr. Neidlinger is not able to do that.

8 We would provide brief summaries of the filings
9 as well as a summary of the settlement agreement that
10 has been reached by all parties other than the City of
11 Litchfield Park.

12 ALJ NODES: All right.

13 Mr. Wakefield, are you going to put a witness
14 in support of the stipulation then?

15 MR. WAKEFIELD: Yes, we will. I expect at this
16 time it will be Mr. Tim Coley testifying in support of
17 the settlement agreement and to move the admission of
18 prefiled testimony of both Tim Coley and Marylee
19 Diaz Cortez.

20 ALJ NODES: Mr. Gellman, what's your plan as
21 far as the settlement?

22 MR. GELLMAN: I was hoping to do one witness,
23 and now it looks like we will probably do two
24 witnesses, Brian Bozzo and Joel Reiker. We will be
25 moving for the admission of the prefiled testimony of

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1 Mr. Reiker, and Mr. Bozzo, and Mr. Nash, and Mr. Marlin
2 Scott.

3 ALJ NODES: Okay. And then you were going to
4 present your witness as well as what you expect to be a
5 letter from the mayor?

6 MR. SULLIVAN: That's correct, Your Honor,

7 ALJ NODES: Okay.

8 MR. SULLIVAN: Our witness is Horatio Skeete.

9 ALJ NODES: Okay. Well, let's plan on going in
10 that same order: Mr. Neidlinger, Mr. Coley, Mr. Bozzo,
11 Mr. Reiker and then Mr. Skeete. And if the company
12 needs to come back with your other witness after that,
13 after you've heard the testimony of Mr. Skeete, then we
14 can do that at that time.

15 MR. SALLQUIST: Okay.

16 ALJ NODES: Okay. Are there other matters that
17 need to be taken up now? Of course, we're going to
18 open up Wednesday with public comment before we start
19 into testimony. But it sounds like at most we're going
20 to have half a day, I would guess, if that.

21 MR. SALLQUIST: I would think that correct
22 unless there's an outpouring of public concern. We
23 haven't seen that at this point.

24 ALJ NODES: Okay.

25 MR. SALLQUIST: Can we perhaps talk about Open

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1 Meeting dates? I think the basic issue that Your Honor
2 will have to address will probably be any issues
3 dealing with the City. I guess we were hopeful that we
4 may be able to get to the May 14/15 Open Meeting.

5 ALJ NODES: You know, I'll have to see what the
6 City's opposition is, but we'll certainly try.

7 MR. SALLQUIST: That's approximately six weeks
8 after the hearing.

9 ALJ NODES: Yeah. I'll make every effort to do
10 that. I don't want to absolutely promise anything.

11 MR. SALLQUIST: I understand.

12 ALJ NODES: But certainly give it every effort
13 to do that. I think it has to be on the following one
14 at a minimum, which is in June.

15 MR. SALLQUIST: I think that's right.

16 ALJ NODES: But we'll certainly try to get it
17 on in May.

18 Okay. Are there any other matters anyone
19 wishes to raise at this time?

20 MR. SALLQUIST: I don't recall if I mentioned
21 on the record that I, in fact, would docket the
22 stipulation agreement or the settlement agreement here
23 as soon as I attach the original signature pages.

24 ALJ NODES: Okay. Very well. And the
25 settlement agreement does have some description or

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1 sufficient detail that will allow the Commission to
2 analyze the reasonableness of the agreement itself you
3 believe?

4 MR. SALLQUIST: It does, Your Honor. It has
5 several attachments to it, including a summary of that,
6 a summary of the rate design, and then the actual
7 tariff.

8 ALJ NODES: Okay.

9 MR. SALLQUIST: So yes. It has pretty good
10 detail for Your Honor.

11 ALJ NODES: Okay. Good.

12 Well, with that we'll be adjourned, then, until
13 Wednesday morning and we'll take up the pending matters
14 then. Thank you very much.

15 (The Prehearing Conference concluded at
16 10:25 a.m.)

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