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COMMISSIONERS

Arizona Corporation Commission

2003 JUL 18 A 10:30

DOCKETED

MARC SPITZER, Chairman
JIM IRVIN
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON

JUL 18 2003

AZ CORP COMMISSION
DOCUMENT CONTROL

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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-03-0167

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-03-0167

PROCEDURAL ORDER

BY THE COMMISSION:

On March 20, 2003, Palo Verde Utilities Company ("Palo Verde") and Santa Cruz Water Company ("Santa Cruz") (jointly "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.

By Procedural Order issued April 25, 2003, intervention was granted to Kent A. Hoggan and Brent A. Butcher.

On May 14, 2003, the Arizona Corporation Commission ("Commission") Utilities Division ("Staff") filed its Sufficiency Letter indicating that the application met the sufficiency requirements of A.A.C. R14-2-402(C) and R14-2-602(B).

On May 28, 2003, a Procedural Order was issued setting a hearing date of July 31, 2003, and directing the Applicants to publish notice of the application and the hearing date.

On June 30, 2003, Staff filed its Staff Report recommending approval of the application subject to certain recommendations.

On July 10, 2003, a Motion to Intervene was filed by HAM Maricopa, LLC, Desert Cedars Equities, LLC, and Land Solutions Maricopa, LLC (collectively "Joint Intervenors"). The Joint

1 Intervenor state that they seek intervention in this matter in order to have the CC&N extensions
2 requested by the Applicants further extended to provide water and wastewater services to the Joint
3 Intervenor's properties.

4 On July 14, 2003, the Applicants filed a Response to the Staff Report which supported Staff's
5 recommendation to approve the application, but disagreed with certain of the conclusions stated in
6 the Staff Report.

7 On July 14, 2003, Sonoran Utility Services, LLC ("Sonoran"), on behalf of 387 Domestic
8 Water Improvement District and 387 Wastewater Improvement District ("Districts"), filed a Motion
9 to Intervene. Sonoran states that the application in this proceeding includes certain property to which
10 the Districts intend to provide wastewater service.

11 On July 15, 2003, Staff filed a Motion to Deny Intervention to the Joint Intervenor. Staff
12 argues that the Joint Intervenor have not stated a real and substantial interest in this proceeding and
13 that intervenor may not properly amend the requested CC&N extension area by intervening in the
14 case.

15 On July 15, 2003, the Applicants filed a Response to the Motions to Intervene filed by the
16 Joint Intervenor. The Applicants state that they do not oppose intervention as long as it does not
17 delay the pending application.

18 On July 16, 2003, the Joint Intervenor filed a Response to Staff's Motion to Deny. The Joint
19 Intervenor argue that Staff's due process concerns are unfounded because the landowners whose
20 property is sought to be included in the CC&N extension are requesting inclusion, rather than
21 exclusion from the requested CC&N area.

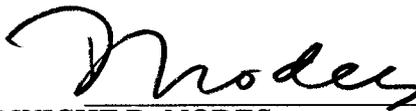
22 On July 17, 2003, the Administrative Law Judge conducted a teleconference with the parties
23 to discuss the various pending motions. After extensive discussion, the Administrative Law Judge
24 indicated that each of the intervention requests should be granted, but intervention would not entitle
25 the intervenor to expand the CC&N extension areas requested by the Applicants in this docket.
26 However, Staff committed to an expedited review of a subsequent application filed by Palo Verde
27 and Santa Cruz for further extension of their CC&Ns to property that is owned by the developers
28 seeking intervention in this matter.

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2 IT IS THEREFORE ORDERED that the Motions to Intervene filed by HAM Maricopa, LLC,
3 Desert Cedars Equities, LLC, Land Solutions Maricopa, LLC, and Sonoran Utility Services, LLC are
4 granted.

5 IT IS FURTHER ORDERED that intervention does not entitle the intervenors to expand the
6 CC&N extension areas requested by the Applicants in this docket or, pursuant to A.A.C. R14-3-105,
7 to unduly broaden the scope of the proceeding.

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

10 DATED this 18th day of July, 2003.

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13 DWIGHT D. NODES
14 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

15
16
17 Copies of the foregoing mailed
18 this 18th day of July, 2003 to:

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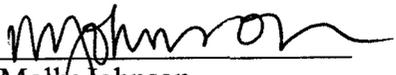
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By: 
Molly Johnson
Secretary to Dwight D. Nodes