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BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

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COMMISSIONERS

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
BARRY WONG

AZ CORP COMMISSION  
DOCUMENT CONTROL

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IN THE MATTER OF THE APPLICATION OF  
DESERT HILLS WATER COMPANY FOR  
APPROVAL OF TRANSFER OF ITS UTILITY  
ASSETS TO THE TOWN OF CAVE CREEK,  
PURSUANT TO A.R.S. § 40-285 AND FOR  
CANCELLATION OF ITS CC&N.

DOCKET NO. W-02124A-06-0717

PROCEDURAL ORDER

**BY THE COMMISSION:**

On November 8, 2006, Desert Hills Water Company ("DHWC") filed with the Arizona Corporation Commission ("Commission") an application to transfer its utility assets to the Town of Cave Creek, Arizona ("Town"), pursuant to A.R.S. § 40-285 and for cancellation of its Certificate of Convenience and Necessity.

On December 5, 2006, Renaissance Partners, LLC, an Arizona limited liability company ("Renaissance") filed a Notice of Intent to Intervene.

On December 6, 2006, the Commission's Utilities Division ("Staff") filed a Sufficiency Letter in this docket indicating that the Applicant's application has met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C.").

On December 13, 2006, a procedural order was issued scheduling a procedural conference for December 21, 2006. The procedural conference convened as scheduled and discussions were held concerning the scheduling of this matter, and the intervention request of Renaissance.

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** on the Applicant's application shall be held on **February 27, 2007, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona 85007.

IT IS FURTHER ORDERED that the **request to intervene by Renaissance Partners, LLC,**

1 is hereby granted.

2 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,  
3 except that all motions to intervene must be filed on or before **February 9, 2007**.

4 IT IS FURTHER ORDERED that any objections to motions to intervene shall be filed within  
5 ten (10) days of the motion.

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

9 **PUBLIC NOTICE OF THE HEARING ON THE APPLICATION OF**  
10 **DESERT HILLS WATER COMPANY FOR APPROVAL OF TRANSFER**  
11 **OF ITS UTILITY ASSETS TO THE TOWN OF CAVE CREEK,**  
**PURSUANT TO A.R.S. § 40-285 AND FOR CANCELLATION OF ITS CC&N.**  
**Docket No. W-02124A-06-0717**

12 On November 8, 2006, Desert Hills Water Company ("DHWC" or "Company") filed  
13 with the Arizona Corporation Commission ("Commission") application to transfer its  
14 utility assets to the Town of Cave Creek, Arizona ("Town"), pursuant to A.R.S. § 40-  
15 285. The Commission will determine the appropriate relief to be granted based on  
16 the evidence of record in this proceeding. The Commission is not bound by the  
17 proposals made by the Company, the Commission's Staff, or any intervenors, and  
18 therefore, the relief granted in this proceeding may differ from that requested by the  
19 Company. The application, report of the Commission's Utilities Division Staff, and  
20 any written comments to the staff report will be available for inspection during  
21 regular business hours at the offices of the Commission located at 1200 West  
22 Washington Street, Phoenix, Arizona 85007, and at offices of the Company, [address]  
23 and on the internet via the Commission website ([www.azcc.gov](http://www.azcc.gov)) using the e-docket  
24 function.

19 The Commission will hold a public hearing on this matter on **February 27, 2007 at**  
20 **10:00 a.m.** at the Commission's offices, at 1200 West Washington Street, Phoenix,  
21 Arizona. Public comment will be taken on the first day of the hearing.

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

- 25 1. The name, address, and telephone number of the proposed intervenor and of  
26 any party upon whom service of documents is to be made if different than the  
27 intervenor.
- 28 2. A short statement of the proposed intervenor's interest in the proceeding (e.g. a  
customer of the Company, a shareholder of the Company, a competitor, etc.).

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3. A statement certifying that a copy of the motion to intervene has been mailed to the Company 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 February 9, 2007. The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. Failure to intervene will not preclude any interested person or entity from appearing at the hearing and making a statement on their own behalf. You will not, however, receive any further notice of the proceeding unless requested by you. Please check with the Commission for any changes to the scheduled hearing date.

If you have any comments, mail them to:

The Arizona Corporation Commission  
Attention Docket Control  
re: Desert Hills Water Company  
W-02124A-06-0717  
1200 West Washington Street  
Phoenix, Arizona 85007

If you have any questions about this application, you may contact the Company at **[insert telephone number]**. If you wish to file written comments on the application or want further information on intervention you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007, or call 1-800-222-7000.

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, at [LHogan@azcc.gov](mailto:LHogan@azcc.gov), voice phone number 602/542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that DHWC shall mail to each property owner or property owner representative in the DHWC service area a copy of the above notice and shall cause the above notice to be published in a newspaper of general circulation in its service territory, with publication and mailing to be completed no later than **January 12, 2007.**

IT IS FURTHER ORDERED that DHWC shall file certification of mailing and publication as soon as practicable after the mailing/publication has been completed, but not later than **January 22, 2007.**

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

1 IT IS FURTHER ORDERED that Staff shall file a **Staff Report on or before February 1,**  
2 **2007.**

3 IT IS FURTHER ORDERED that any **comments to the Staff Report shall be filed on or**  
4 **before February 14, 2007.**

5 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 – Unauthorized  
6 Communications) applies to this proceeding as the matter is now set for public hearing.

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

10 Dated this 27 day of December, 2006.

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13 \_\_\_\_\_  
14 LYN FARMER  
CHIEF ADMINISTRATIVE LAW JUDGE

15 Copies of the foregoing mailed/delivered  
16 this 27 day of December, 2006 to:

17 Jay Shapiro  
18 Patrick J. Black  
19 FENNEMORE CRAIG  
20 3003 N. Central Ave., Suite 2600  
Phoenix, Arizona 85012  
Attorneys for Desert Hills Water Co.

21 Court S. Rich  
22 ROSE LAW GROUP, INC.  
23 6613 N. Scottsdale Rd., Suite 200  
Scottsdale, Arizona 85250  
Attorneys for Renaissance Partners, LLC

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

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

ARIZONA REPORTING SERVICE, INC.  
2627 N. Third Street, Ste. Three  
Phoenix, Arizona 85004-1104

By:   
Debbi Person  
Secretary to Lyn Farmer