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**BEFORE THE ARIZONA CORPORATION COMMISSION**

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COMMISSIONERS

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JEFF HATCH-MILLER, Chairman  
WILLIAM MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
GARY PIERCE

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF  
DUNCAN RURAL SERVICES CORPORATION  
TO TRANSFER ITS ASSETS AND CERTIFICATE  
OF CONVENIENCE AND NECESSITY TO  
DUNCAN VALLEY ELECTRIC COOPERATIVE,  
INC.

DOCKET NO. G-02528A-06-0729  
DOCKET NO. E-01703A-06-0729

PROCEDURAL ORDER

**BY THE COMMISSION:**

On November 15, 2006, Duncan Rural Services Corporation ("DRSC") filed an application with the Arizona Corporation Commission ("Commission") to transfer its assets and Certificate of Convenience and Necessity ("Certificate" or "CC&N") to Duncan Valley Electric Cooperative, Inc. ("DVEC") as part of a reorganization of DRSC as a natural gas division of DVEC.

On January 23, 2007, Commission Utility Division Staff ("Staff") notified DRSC and DVEC that the Application was sufficient under the requirements of the Arizona Administrative Code.

Accordingly, 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** in the above-captioned matter shall be held on **April 10, 2007, at 10:00 a.m.** or as soon thereafter as is practical, at the Commission's offices, **Room 222**, 400 West Congress St., Tucson, Arizona 85701.

IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **March 30, 2007**.

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

Arizona Corporation Commission  
**DOCKETED**

**JAN 30 2007**

DOCKETED BY nr

**PUBLIC NOTICE OF HEARING ON APPLICATION BY  
DUNCAN RURAL SERVICES CORPRAOTION FOR  
APPROVAL TO TRANSFER ITS ASSETS AND  
CERTIFICATE OF CONVENIENCE AND NECESSITY  
TO DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.  
DOCKET NO. G-02528A-06-0729  
DOCKET NO. E-01703A-06-0729**

On November 15, 2006, Duncan Rural Services Corporation ("DRSC") filed an application with the Arizona Corporation Commission ("Commission") to transfer its assets and Certificate of Convenience and Necessity ("Certificate" or "CC&N") to Duncan Valley Electric Cooperative, Inc. ("DVEC") as part of a reorganization of DRSC as a natural gas division of DVEC. If the Application is granted DVEC will be the exclusive provider of gas utility service to the area currently served by DRSC, and will be required by the Commission to provide service under rates and charges and terms and conditions established by the Commission. The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix, at 1200 West Washington Street, Phoenix, Arizona, in Tucson, at 400 West Congress St. Suite 218, Tucson, Arizona or on the Commission's website, azcc.gov, by using the eDocket link, as well as at the offices of DRSC, [APPLICANT INSERT ADDRESS].

The Commission will hold a hearing on this matter beginning **April 10, 2007, at 10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress Street, Tucson, Arizona. Public comment will be taken at the beginning of the hearing.

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene in the proceedings and participate as a party. You may have the right to intervene in the proceeding. Intervention will be in accordance with A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **March 30, 2007**. Persons desiring to intervene must file a written motion to intervene with the Commission and send such motion to Applicants or their counsel and to all parties of record. The motion must, at the minimum, 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 from that of the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer or potential customer of the Applicant, a shareholder of the Applicant, etc.).
3. A statement certifying that a copy of the motion to intervene has been mailed to the Applicant or its counsel and to all parties of record in the case.

The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the applications. You will not receive any further notice of this proceeding unless you request it. Comments may also be made by writing to the Commission in care of Docket Control, 1200 W. Washington, Phoenix, Arizona 85007. All correspondence should contain the Docket Nos. G-

02528A-06-0729 and E-01703A-06-0729.

If you have any questions about this application, you may contact the Applicant at **[insert telephone number]**. If you want further information on intervention or have questions on how to file comments, 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 Linda Hogan, ADA Coordinator, voice phone number 602/542-3931, E-mail LHogan@cc.state.az.us. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that DRSC shall mail to its customers a copy of this notice by first-class U.S. Mail, to begin as soon as possible and to be completed on or before February 28, 2007.

IT IS FURTHER ORDERED that DRSC shall have the above notice published at least twice, a week apart, in a newspaper of general circulation within its service area, such publication to be completed by March 9, 2007.<sup>1</sup>

IT IS FURTHER ORDERED that DRSC shall file certification of mailing and publication as soon as practicable after the mailing and publication has been completed.

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

IT IS FURTHER ORDERED that Staff shall file its **Staff Report** and associated exhibits to be presented at the hearing on or before **March 15, 2007**.

IT IS FURTHER ORDERED that **any objection or response** to the Staff Report shall be made in writing and filed on or before **March 30, 2007**.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized Communications) applies to this proceeding and shall remain in effect until the Commission's Decision in this matter is final and non-appealable.

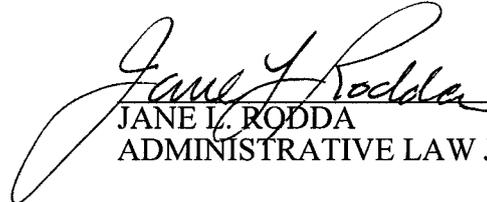
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<sup>1</sup> DRSC and/or DVEC are encouraged to publish notice of the hearing in any member newsletter if possible.

1 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended  
2 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

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

5 DATED this 29<sup>th</sup> day of January, 2007.

6  
7   
8 JANE I. RODDA  
ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed  
this 29<sup>th</sup> day of January, 2007 to:

10 Michael M. Grant  
11 Gary D. Hays  
12 Gallagher & Kennedy, PA  
2575 East Camelback Road  
Phoenix, AZ 85016-9225

13 John Wallace  
14 Grand Canyon State Electric Cooperative Association  
120 North 44<sup>th</sup> Street, Suite 100  
Phoenix, AZ 85034

15 Mr. Christopher Kempley, Chief Counsel  
16 Legal Division  
17 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

18 Mr. Ernest Johnson, Director  
19 Utilities Division  
20 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

21 ARIZONA REPORTING SERVICE, INC.  
22 2627 N. Third Street, Suite Three  
23 Phoenix, Arizona 85004-1104

24  
25 By:   
26 Juanita Gomez  
Secretary to Jane L. Rodda