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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

Arizona Corporation Commission

DOCKETED

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

MAR 06 2007

AZ CORP COMMISSION
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DOCKETED BY
JW

IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY FOR AN EXTENSION OF ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-01445A-06-0199

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-05-0926

IN THE MATTER OF THE APPLICATION OF SANTA CRUZ WATER COMPANY FOR AN EXTENSION OF ITS CERTIFICATE OF ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-03576A-05-0926

PROCEDURAL ORDER

BY THE COMMISSION:

On December 28, 2005, Palo Verde Utilities Company ("Palo Verde") and Santa Cruz Water Company ("Santa Cruz") (collectively, "Global") filed an application with the Arizona Corporation Commission ("Commission") for an extension of their Certificates of Convenience and Necessity ("Certificate") in Docket Nos. SW-03575A-05-0926 and W-03576A-05-0926.

On March 29, 2006, Arizona Water Company ("AWC") filed an application with the Commission to extend its Certificate in Docket No. W-01445A-06-0199. On this same day, AWC requested to intervene in Docket Nos. SW-03575A-05-0926 and W-03576A-05-0926. AWC's request for intervention was granted by Procedural Order on April 12, 2006.

On April 7, 2006, Palo Verde and Santa Cruz filed an application to intervene in Docket No. W-01445A-06-0199.

On April 24, 2006, by Procedural Order, Palo Verde and Santa Cruz were granted intervention and the above-captioned matters were consolidated for purposes of hearing.

On April 27, 2006, Anderson & Miller 694, LLP ("Anderson & Miller") filed a Motion to

1 Intervene.

2 On April 28, 2006, CHI Construction Company ("CHI"), CP Water Company ("CP") and
3 Anderson & Barnes 580, LLC ("Anderson & Barnes") filed Motions to Intervene.

4 On May 2, 2006, KEJE Group, LLC ("KEJE") filed a Motion to Intervene.

5 On May 3, 2006, Anderson & Val Vista 6, LLC ("Anderson & Val Vista") filed a Motion to
6 Intervene.

7 On May 11, 2006, by Procedural Order, Anderson & Miller, Anderson & Barnes, CHI and CP
8 were granted intervention.

9 On May 18, 2006, KEJE and Anderson & Val Vista were granted intervention.

10 On May 18, 2006, Ridgeview Utility Company, Picacho Water Company, Lago Del Oro
11 Water Company and Santa Rosa Water Company (collectively "Robson Utilities") filed a Motion to
12 Intervene.

13 On May 31, 2006, Gallup Financial, LLC filed a Motion to Intervene.

14 On June 1, 2006, Staff filed an insufficiency letter with respect to Global's application.

15 On June 1, 2006, Global filed a Response in Support of the Motion to Intervene by Robson
16 Utilities.

17 On June 1, 2006, CHI Construction, which was granted intervention in this matter on May 15,
18 2006, filed a Motion to Exclude the Property of CHI from the requested extension area.

19 On June 1, 2006, CP Water filed a Motion to Exclude CP from the requested extension area.

20 On June 7, 2006, Staff filed an Objection to the Motion to Intervene by Robson Utilities.

21 On June 12, 2006, Robson Utilities filed a Reply in Support of its Motion to Intervene.

22 On June 13, 2006, by Procedural Order, Gallup Financial, LLC was granted intervention in
23 this matter.

24 On June 20, 2006, AWC filed a Response to CHI's and CP's Motions to Exclude Territory
25 from Requested Extension Area.

26 On June 23, 2006, Staff filed a Sufficiency Letter in this docket indicating that Global's
27 application had met the sufficiency requirements as outlined in the Arizona Administrative Code.

28 On June 23, 2006, Global filed a Motion to Vacate the Consolidation and a Motion to Dismiss

1 the Application filed by AWC.

2 On July 10, 2006, by Procedural Order, Robson's Motion to Intervene was denied and a
3 procedural conference was scheduled for July 27, 2006.

4 On July 27, 2006, the procedural conference convened as scheduled. The parties agreed to a
5 continuance of the procedural conference and other procedural deadlines were set.

6 On July 28, 2006, Robson Utilities filed a Motion for Reconsideration on Denial of Request
7 for Intervenor Status. Also on this date, Staff filed a Sufficiency Letter in this docket indicating that
8 AWC's application had met the sufficiency requirements as outlined by the Arizona Administrative
9 Code.

10 On July 31, 2006, a Procedural Order was issued setting various dates. An Amended
11 Procedural Order was issued on August 7, 2006, correcting certain dates in the July 31, 2006,
12 Procedural Order.

13 On August 7, 2006, by Procedural Order, a Procedural Conference was scheduled and various
14 deadlines were established.

15 On August 15, 2006, the Procedural Conference was held as scheduled to hear oral argument
16 on Global's Motion to Dismiss AWC's Application and Global's Motion to Vacate Consolidation
17 and/or to Sever. Global, AWC and Staff appeared through counsel. After consideration of the
18 pleadings filed and arguments presented at the Procedural Conference, Global's Motion to Dismiss
19 AWC's Application and Global's Motion to Vacate Consolidation and/or Sever, were denied.

20 On September 12, 2006, by Procedural Order, the evidentiary portion of the hearing was
21 scheduled and filing deadlines were established.

22 On September 27, 2006, a Procedural Conference was held to hear oral argument on CP
23 Water and CHI Construction's Motions to be excluded from AWC's proposed CC&N extension. At
24 the Procedural Conference, the parties agreed to continue the oral argument so that parties could
25 engage in further settlement negotiations. It was further agreed that oral argument on this issue
26 would reconvene on October 27, 2006.

27 On September 29, 2006, Staff filed a Motion for an Extension of Time to file its Staff Report
28 until settlement discussions are concluded.

1 On October 3, 2006, Global filed its Response to Staff's Motion for an Extension.

2 On October 4, 2006, AWC filed its Response to Staff's Motion for an Extension of Time.

3 On October 12, 2006, Staff's request for an Extension of Time was granted by Procedural
4 Order.

5 On October 25, 2006, CHI and CP filed a Notice of Filing Pre-Filed Direct Testimony of
6 Roger Pryor.

7 October 26, 2006, Staff filed its Staff Report in this matter.

8 On October 27, 2006, oral argument was heard on CHI Construction and CP Water's Motions
9 to be excluded from AWC's request for a CC&N extension.

10 On November 3, 2006, the parties filed a Joint Motion to Amend Procedural Schedule.

11 On November 29, 2006, an Amended Procedural Order was issued amending the procedural
12 schedule in this matter.

13 On December 6, 2006, CMR/Casa Grande LLC filed a Motion to Extend the Intervention
14 Deadline and for Leave to Intervene.

15 On December 6, 2006, CMR/Casa Grande LLC ("CMR") filed a Motion to Extend the
16 Intervention Deadline and for Leave to Intervene.

17 On December 13, 2006, CMR filed a Notice of Correction in this docket, amending the legal
18 description for its property within the proposed extension area.

19 On December 18, 2006, by Procedural Order, the parties were directed to file Responses to
20 CMR's Motion to Extend the Intervention Deadline and for Leave to Intervene on or before
21 December 29, 2006.

22 On December 19, 2006, a Public Comment Letter was filed by Maricopa Farms LLC in this
23 docket.

24 On December 26, 2006, Staff filed its Supplemental Staff Report which recommended three
25 options in this matter.

26 On December 26, 2006, CMR filed Pre-Filed Testimony for Adrian Taylor.

27 On December 29, 2006, Staff filed its Response to CMR's Motion to Intervene, stating Staff
28 did not oppose the intervention.

1 On December 29, 2006, AWC filed its Response to CMR's Motion to Intervene, stating AWC
2 did not oppose CMR's intervention.

3 By Procedural Order, on January 12, 2007, CMR was granted intervention in this matter.

4 On January 26, 2007, Global filed Pre-filed Testimony for Trevor T. Hill, Rita Maguire,
5 Philip Briggs, Graham Symmonds, and Cindy Liles in this docket.

6 On January 26, 2007, CHI and CMR filed their Response to the Staff Report and
7 Supplemental Staff Report.

8 On February 26, 2007, AWC filed a Motion to Stay Proceedings in this matter. AWC's
9 Motion argued that the proceeding in this matter should not go forward until the issues in the
10 Complaint Docket No. W-01445A-06-0200 and the Generic Docket No. W00000C-06-0149 are
11 resolved. Also on the same day, AWC filed a Motion for Accelerated Consideration and Oral
12 Argument on its Motion to Stay.

13 On February 27, 2007, Global filed an Opposition to AWC's Motion to Stay. Global argued
14 that the Motion to Stay was untimely and had no merit.

15 On February 27, 2007, AWC filed a Supplement to its Motion to Stay regarding CHI
16 Construction Company.

17 On February 28, 2007, a Pre-hearing Conference was held. At the conference, AWC, Global
18 and CHI presented oral argument on the Motion to Stay, and AWC's Motion to Stay was granted
19 pending further Order of the Commission. During the conference other issues were raised, and the
20 parties were informed that filing deadlines would be set.

21 IT IS THEREFORE ORDERED that counsel for Staff assigned to this docket, shall confer
22 with counsel for Staff in the Complaint docket and the Generic docket, and Staff shall file, on or
23 before March 12, 2007 recommendations as to whether this proceeding should go forward or be
24 stayed pending resolution of the Compliant and Generic dockets.

25 IT IS FURTHER ORDERED that Staff's filing shall address whether this case should be used
26 as a "test case" for the Commission to determine its policies regarding Infrastructure Coordination
27 and Financing Agreements ("ICFA").

28 IT IS FURTHER ORDERED Staff's filing shall address whether the issues the Commission

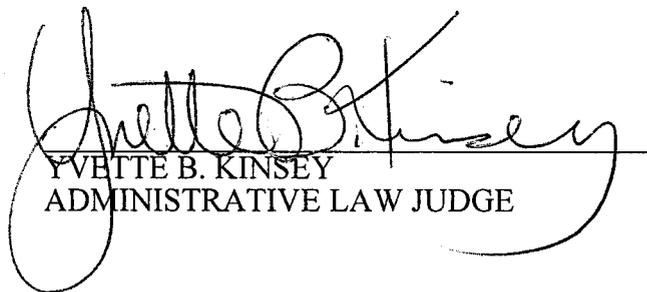
1 addressed in Decision Nos. 67240 and 67830 are distinguishable from the issues raised in this docket.

2 IT IS FURTHER ORDERED that the parties shall continue to engage in discovery and shall
3 cooperate in the spirit of law; however, if discovery issues arise, the parties shall refer to the
4 November 29, 2006 Procedural Order and govern themselves accordingly.

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

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 6th day of March, 2007.

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YVETTE B. KINSEY
ADMINISTRATIVE LAW JUDGE

15 Copies of the foregoing mailed/delivered
this 6th day of March, 2007 to:

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