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2007 OCT 10 PM 4:46

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BEFORE THE ARIZONA CORPORATION COMMISSION

8 IN THE MATTER OF THE
 APPLICATION OF GOLD CANYON
 9 SEWER COMPANY, AN ARIZONA
 CORPORATION, FOR A
 10 DETERMINATION OF THE FAIR
 VALUE OF ITS UTILITY PLANT AND
 11 PROPERTY AND FOR INCREASES IN
 ITS RATES AND CHARGES FOR
 12 UTILITY SERVICE BASED THEREON.

DOCKET NO: SW-02519A-06-0015

**RESPONSE TO MOTION TO
COMPEL AND REQUEST FOR
PROCEDURAL CONFERENCE**

14 Gold Canyon Sewer Company ("Gold Canyon" or "Company") hereby responds to
 15 Staff's Motion to Compel and Request for Procedural Conference in the above-captioned
 16 matter.

17 Staff's "motion to compel" is inadequate. Staff provides only a cursory
 18 identification of the information it seeks to compel and no explanation of the basis for an
 19 order to compel. Thus, it is difficult, if not impossible, for the Company to respond on the
 20 merits.

21 Staff's motion also fails to meet the requirements for a motion to compel
 22 established by Rule 37 of the ARCP. Rule 37 (a)(2)(C) requires a separate statement of
 23 moving counsel regarding the efforts to resolve the dispute that led to the motion to
 24 compel. Further, such statement would have informed the Commission that Staff was
 25 requesting that the Company provide information (i.e., unredacted legal bills detailing the
 26 nature and substance of legal work performed) subject to the attorney-client privilege, and

1 the attorney work product doctrine, and that the Company has made substantial effort to
2 work with Staff towards the production of the requested information. Instead, Staff
3 merely offers the bare assertion in the body of its motion that the parties could not come
4 to a resolution of the issues at stake.

5 The Company's efforts to resolve the dispute with Staff were made despite the fact
6 that (1) RUCO's Application for Rehearing did not seek rehearing on any issue related to
7 rate case expense; (2) the Company takes the position that the Commission is legally
8 precluded in this rehearing from revisiting its previous decision regarding an award of rate
9 case expense; and (3) Gold Canyon has not yet requested any additional rate case expense
10 arising out of this rehearing. Nevertheless, because the Company does intend to seek
11 additional rate case expense for the rehearing, the Company offered to provide Staff
12 unredacted billing summaries subject to an appropriate agreement.

13 As proposed by Gold Canyon, an appropriate confidentiality or protective
14 agreement would confirm Staff's agreement that (1) the information being provided was
15 and would remain subject to the attorney-client privilege and the attorney work product
16 doctrine; and (2) that such information could not be disclosed or used by Staff except to
17 substantiate rate case expense. Staff refused the offer and insisted that the Company
18 execute Staff's suggested Protective Agreement without alteration, even though these
19 concepts are not adequately reflected in Staff's standard protective agreement.

20 Finally, with respect to scheduling a procedural conference, undersigned counsel
21 indicated to Staff counsel last week that he would make himself available for a Procedural
22 Conference this week after Staff suggested that such a conference would be required.
23 Undersigned counsel remains available for such a conference if scheduled this week,
24 however, counsel is unavailable the week of October 15th for a Procedural Conference on
25 this issue.

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RESPECTFULLY SUBMITTED this 10th day of October, 2007.

FENNEMORE CRAIG, P.C.

By 
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ORIGINAL and thirteen (13) copies
of the foregoing were delivered
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Copy of the foregoing hand delivered
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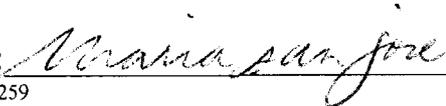
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