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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

- KRISTIN K. MAYES, Chairman
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2009 FEB 24 P 4: 02

Arizona Corporation Commission

AZ CORP COMMISSION
DOCKET CONTROL

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FEB 24 2009

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IN THE MATTER OF THE APPLICATION OF
 VALENCIA WATER COMPANY – GREATER
 BUCKEYE DIVISION FOR THE
 ESTABLISHMENT OF JUST AND
 REASONABLE RATES AND CHARGES FOR
 UTILITY SERVICE DESIGNED TO REALIZE A
 REASONABLE RATE OF RETURN ON THE
 FAIR VALUE OF ITS PROPERTY
 THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-02451A-09-0078

MOTION TO CONSOLIDATE

Valencia Water Company – Greater Buckeye Division (“Valencia”) moves that this docket be consolidated with the five additional rate dockets that were filed on the same day for affiliated companies (collectively, the “Global Utilities”), and together with their unregulated affiliates and parent companies, “Global Water”). Specifically, Applicant moves that the following dockets be consolidated:

Utility	Docket Number
Global Water – Palo Verde Utilities Company	SW-03575A-09-0077
Global Water – Santa Cruz Water Company	W-03576A-09-0080
Valencia Water Company – Town Division	W-01212A-09-0082
Valencia Water Company – Greater Buckeye Division	W-02451A-09-0078
Water Utility of Greater Tonopah	W-02450A-09-0081
Willow Valley Water Co.	W-01732A-09-0079

1 Consolidation is justified for numerous reasons:

2 **Cost Allocation.** The Global Utilities know that the Commission will want to examine
3 the allocation of costs among the Global Utilities, and between the Global Utilities and their
4 unregulated affiliates. In order to address questions raised by the Commission and Staff, Global
5 Water has implemented a new cost allocation method, as further explained in the testimony of
6 Greg Barber, which was filed along with the Rate Application of Palo Verde. This allocation
7 method should be more transparent and easier to audit. However, the Global Utilities expect that
8 the Commission will want to fully examine all aspects of cost allocation. This issue is common
9 for all the Global Utilities. Moreover, this examination will be simpler if all the Global Utilities
10 are before the Commission in the same proceeding.

11 **Other Common Issues.** There are additional common issues that impact each of the
12 Global Utilities. For example, the Global Utilities have submitted joint testimony concerning cost
13 of equity, cost of debt, total water management and cost cutting measures that is applicable to
14 each of the Global Utilities.

15 **Integrated Service.** The Global Utilities strongly believe in the integration of water,
16 wastewater and recycled water services. Integration allows the water utility to promote the use of
17 recycled water, and it also provides increased efficiencies. Because the provision of these three
18 services (water, wastewater and recycled water) is so closely linked, the Global Utilities believe
19 that, when possible, the rates for these three services should be determined in one proceeding.
20 Here, Palo Verde and Santa Cruz provide integrated water, wastewater and recycled water
21 services to the same service areas in Pinal County, Arizona. In addition, Palo Verde and Santa
22 Cruz share certain employees and facilities. Thus, the rate applications of Palo Verde and Santa
23 Cruz should be consolidated.

24 **Rate Consolidation.** In order to limit the rate impact to customers of the smaller utilities,
25 the Global Utilities are proposing to consolidate the rates of the three Global Utilities in the West
26 Valley: Valencia Water Company – Town Division, Valencia Water Company – Greater
27

1 Buckeye Division, and Water Utility of Greater Tonopah. In order to properly evaluate this
2 proposal, it will be necessary to consolidate the rate dockets involving these utilities.

3 **Efficiency.** Processing one combined case should be more efficient than processing six
4 separate rate cases. This should benefit Global, the Commission, Staff, and any intervenors.

5 Accordingly, Applicant requests that the Commission consolidate these six dockets.
6 Counsel for Applicant has conferred with counsel for Staff and Staff has indicated that it does not
7 oppose the proposed consolidation.

8

9 RESPECTFULLY SUBMITTED this 24th day of February 2009.

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- Greater Buckeye Division -

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21 Original +13 copies of the foregoing
22 filed this 24th day of February 2009, with:

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Docket Control

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1 Copies of the foregoing hand-delivered/mailed
2 this 24th day of February 2009, to:

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