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**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION  
OF CHAPARRAL CITY WATER  
COMPANY, INC., AN ARIZONA  
CORPORATION, FOR A  
DETERMINATION OF THE FAIR VALUE  
OF ITS UTILITY PLANT AND  
PROPERTY AND FOR INCREASES IN  
ITS RATES AND CHARGES FOR  
UTILITY SERVICE BASED THEREON.

DOCKET NO: W-02113A-07-0551

**RESPONSE IN OPPOSITION TO  
STAFF'S MOTION FOR EXTENSION  
OF TIME**

Chaparral City Water Company, Inc. ("Company" or "CCWC")) hereby submits this Response in Opposition to Staff's Motion for Extension of Time to file its update regarding its Motion to Compel as ordered by Administrative Law Judge Wolfe on June 3, 2009. For the reasons set forth below, the Company requests that Staff's request for extension of time be denied. Very simply, the Motion to Compel is moot for the reasons set forth below, and nothing further should be required concerning that motion.

**A. Summary of Material Facts.**

On January 5, 2009, Staff filed a Notice of Filing Regarding Investigation. The Notice stated that the California Public Utility Commission ("CPUC") had contacted Staff regarding a CPUC investigation of Golden State Water Company ("Golden State"), an affiliate of Chaparral City that provides utility service in California. The CPUC had alerted Staff that in the course of its investigation into Golden State, the CPUC had discovered information relating to CCWC that it thought would be of interest to Staff.

On January 6, 2009, Staff filed a Notice of Filing to which was attached a copy of a

1 November 15, 2007 complaint filed in Los Angeles Superior Court against Golden State  
2 Water Company, American States Water Company, and certain individuals.

3 On January 12, 2009, the Company met with Staff and RUCO. During this  
4 meeting, the Company provided Staff and RUCO documents responsive and pertinent to  
5 Staff's data request regarding the CPUC investigation.

6 On January 29, 2009, Staff filed a Notice of Filing stating that the Company had  
7 provided responses to Staff's data requests related to the CPUC investigation of Golden  
8 State, and that based on the responses, Staff had concluded that additional discovery was  
9 necessary. Staff also stated that it would provide updates on the issue in this docket.

10 On February 10, 2009, Staff filed a Motion to Compel, requesting that the  
11 Company be ordered to promptly provide information requested by Staff related to the  
12 CPUC investigation of Golden State, which involved the production of some 15,000 pages  
13 of confidential documents, virtually none of which relates to the Company.

14 On February 18, 2009, Staff docketed an update to its February 10, 2009 Motion to  
15 Compel. Staff indicated that Staff and the Company had agreed to extend the time period  
16 for the Company to respond, pending the outcome of ongoing negotiations to resolve the  
17 Motion to Compel.

18 On or about March 5, 2009, the Company and Staff entered into a Protective  
19 Agreement addressing the provision of confidential documents responsive to Staff's 21st,  
20 23rd, and 24th sets of data requests.

21 On or about March 10, 2009, the Company and RUCO entered into a Protective  
22 Agreement giving RUCO access to confidential documents being provided to Staff in  
23 response to Staff's 21st, 23rd, and 24th sets of data requests.

24 On March 10, 2009, copies of a CD containing confidential documents responsive  
25 to Staff's data requests were hand-delivered by Company's counsel to Staff and RUCO.

26 On March 13, 2009, additional confidential documents were e-mailed by

1 Company's counsel to Staff and to RUCO.

2 On March 16, 2009, copies of a second CD containing confidential documents  
3 responsive to Staff's data requests were hand-delivered by Company's counsel to Staff  
4 and RUCO.

5 Since that time, neither Staff nor RUCO have asked for additional documents,  
6 served any additional data requests, or otherwise contacted counsel for the Company  
7 concerning this matter. Consequently, the Company considered the issue regarding the  
8 production of confidential documents closed.

9 **B. Argument.**

10 The Motion to Compel is now moot because the Company provided all of the  
11 documents Staff requested by mid-March. Unfortunately, Staff failed to withdraw its  
12 Motion to Compel or otherwise provide updates on the status of this matter. As a result,  
13 Staff has been ordered to file an update by June 12, 2009, and for the Company and  
14 RUCO to file a response by June 19, 2009. However, given the status of this matter, no  
15 update is needed.

16 The Company further objects to Staff's extension to ensure that a decision on the  
17 rate case is not unnecessarily delayed. The Company is not suggesting that Staff is  
18 intentionally seeking to delay a decision in a case that has been pending since September  
19 2007. Nevertheless, there is no reason to grant an extension of time to provide an update  
20 that is not needed, particularly given the length of time during which this case has been  
21 pending.

22 Notably, the Company has offered to stipulate to either (1) keep this docket open,  
23 pending conclusion of Staff's review of the CPUC investigation documents and a  
24 determination of whether any further proceedings or relief are warranted, or (2) to open a  
25 new docket for the same purpose. Either course would provide Staff with what it appears  
26 to need – additional time to review the 15,000 pages of documents that it insisted the

1 Company produce – and give the company what it needs – a decision in this rate case.  
2 Staff has not definitively responded to the Company’s proposal, and appears unwilling to  
3 commit any course of action, leaving the matter in limbo.

4 In short, the Motion to Compel is moot. Staff does not need additional time to  
5 advise the ALJ that this is the case. Accordingly, the motion should be denied. The  
6 Company further requests that a decision authorizing rate adjustments be issued as soon as  
7 possible.

8 DATED this 12<sup>th</sup> day of June, 2009.

9 FENNEMORE CRAIG, P.C.

10 By Norm D. James  
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17 Company

16 **ORIGINAL** and thirteen (13) copies  
17 of the foregoing were filed  
18 this 12<sup>th</sup> day of June, 2009, to:

19 Docket Control  
20 Arizona Corporation Commission  
21 1200 W. Washington St.  
22 Phoenix, AZ 85007

23 **COPY** of the foregoing was hand delivered  
24 this 12<sup>th</sup> day of June, 2009, to:

25 Teena Wolfe, Administrative Law Judge  
26 Hearing Division  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

1 Robin Mitchell, Esq.  
2 Legal Division  
3 Arizona Corporation Commission  
4 1200 W. Washington Street  
5 Phoenix, AZ 85007

6 **COPY** of the foregoing mailed  
7 this 12<sup>th</sup> day of June, 2009, to:

8 Daniel W. Pozefsky, Esq.  
9 Residential Utility Consumer Office  
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