

UTL-14835 -X  
ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

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2  
3 IN THE MATTER OF THE APPLICATION OF ) DOCKET NO.  
4 PALO VERDE UTILITIES COMPANY FOR AN ) SW-03575A-03-0586  
5 EXTENSION OF ITS EXISTING CERTIFICATE )  
6 OF CONVENIENCE AND NECESSITY. )  
7  
8 IN THE MATTER OF THE APPLICATION OF ) DOCKET NO.  
9 SANTA CRUZ WATER COMPANY FOR AN ) W-03576A-03-0586  
10 EXTENSION OF ITS EXISTING CERTIFICATE )  
11 OF CONVENIENCE AND NECESSITY. ) PROCEDURAL  
12 ) CONFERENCE

Arizona Corporation Commission  
**DOCKETED**

Phoenix, Arizona  
October 14, 2003  
OCT 29 2003

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

ARIZONA REPORTING SERVICE, INC.  
Court Reporting  
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Phoenix, Arizona 85004-1126

By: COLETTE E. ROSS  
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At: Phoenix, Arizona  
Date: October 14, 2003  
Filed: OCT 29 2003

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ARIZONA REPORTING SERVICE, INC.  
HEARING DIVISION  
Court Reporting

Suite Three  
2627 North Third Street  
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1 BE IT REMEMBERED that the above-entitled and  
2 numbered matter came on regularly to be heard before the  
3 Arizona Corporation Commission, in Hearing Room 1 of said  
4 Commission, 1200 West Washington Street, Phoenix, Arizona,  
5 commencing at 1:30 p.m. on the 14th of October, 2003.

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7

8 BEFORE: DWIGHT D. NODES, Assistant Chief Administrative  
9 Law Judge

9

10 APPEARANCES:

10

11 For the Arizona Corporation Commission:

12

Ms. Lisa A. Vandenberg  
Staff Attorney, Legal Division  
1200 West Washington Street  
Phoenix, Arizona 85007-2927

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15 For the Applicants:

16

FENNEMORE CRAIG  
By Mr. Jay L. Shapiro  
3003 North Central Avenue, Suite 2600  
Phoenix, Arizona 85012

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For Intervenor Sonoran Utility Services, L.L.C.

19

SALLQUIST & DRUMMOND, P.C.  
By Mr. Richard L. Sallquist  
2525 East Arizona Biltmore Circle, Suite A-117  
Phoenix, Arizona 85016

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COLETTE E. ROSS  
Certified Court Reporter  
Certificate No. 50658

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1 ACALJ NODES: Welcome to the Arizona  
2 Corporation Commission. We are here today in Docket  
3 SW-03575A-03-0586 and W-03576A-03-0586. This is the  
4 matter of Palo Verde's and Santa Cruz's applications for  
5 CC&N extensions.

6 My name is Dwight Nodes. I am the  
7 administrative law judge in this case. And first of all I  
8 will take appearances on behalf of the applicants.

9 MR. SHAPIRO: Jay Shapiro on behalf of the  
10 applicants. And with me on behalf of the applicant is  
11 Ms. Cindy Liles.

12 ACALJ NODES: And on behalf of Sonoran Utility  
13 Services?

14 MR. SALLQUIST: Thank you, Your Honor.  
15 Richard Sallquist on behalf the Sonoran Utility Services,  
16 LLC.

17 ACALJ NODES: And we have Staff.

18 MS. VANDENBERG: Lisa Vandenberg.

19 ACALJ NODES: All right. The reason I  
20 scheduled the procedural conference is laid out in the  
21 procedural order. There is apparently a continuing  
22 dispute as to the basis for intervention by Sonoran  
23 Utility Services.

24 Before we get to that, it is my understanding,  
25 Mr. Shapiro, that three of the prior developers, I guess

1 for lack of a better word, have now withdrawn their  
2 request and you filed something.

3 MR. SHAPIRO: Yes, Your Honor, that's correct.  
4 If you remember back to what I will now refer to phase one  
5 of the expansion by these two utilities, there were three  
6 parties that moved to intervene. And at the procedural  
7 conference you had indicated that they could intervene in  
8 phase one but their property wouldn't be included in the  
9 CC&N.

10 We then filed the second application, included  
11 those three property owners in addition to the other  
12 intervenors and other properties subsequent to the filing  
13 of the second application. Those three property owners,  
14 they had been originally been represented by Clare Abel in  
15 the first phase, indicated they changed their position and  
16 no longer wanted service from Palo Verde and Santa Cruz.  
17 So we now filed a request withdrawing their properties  
18 from the properties to be included in the current pending  
19 request for expansion.

20 ACALJ NODES: All right. And with respect to  
21 Mr. Hoggan and Mr. Butcher's properties, are they still  
22 included in the request?

23 MR. SHAPIRO: Yes. There has been no change  
24 with respect to Mr. Hoggan, Mr. Butcher. I believe there  
25 is another property known as the Elliott Homes property,

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1 no change there as well.

2 ACALJ NODES: Okay. Well, I have read the  
3 pleadings, Mr. Sallquist, but I don't know that I ever saw  
4 it specifically identified which developers' properties  
5 you believe are located within the district.

6 MR. SALLQUIST: Thank you, Your Honor. The  
7 properties we were concerned with are the effective  
8 properties that have now been withdrawn.

9 I have discussed this matter just a short time  
10 ago with Mr. Shapiro. And he indicated to me one of the  
11 concerns we had in phase one, that the certificate  
12 application would expand beyond what was in the  
13 application, he has assured me it would not. And based  
14 upon that, since those properties are within the district  
15 and have not been withdrawn, we would withdraw our motion  
16 to intervene in this matter.

17 I apologize for not filing a formal motion  
18 earlier. I guess when I first read the procedural order I  
19 thought there were other procedural orders that Staff had  
20 and this hearing needed to go on in any event. Had I  
21 known this was the only issue I would have filed something  
22 shortly. I apologize, Your Honor.

23 We would with, Mr. Shapiro's understanding he  
24 will not expand the description to anything that would  
25 include district property, we would withdraw the

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1 application to intervene at this time.

2 ACALJ NODES: Okay. Mr. Shapiro?

3 MR. SHAPIRO: Yes. As I -- actually, just to  
4 correct the record, I spoke with Mr. Sallquist earlier and  
5 indicated I needed to confirm with Ms. Liles and that was  
6 my understanding. I have done that. At this time the  
7 company has no intention to further amend its application.

8 Certainly, if a request came in to amend it, I  
9 would share it with Mr. Sallquist in advance so he could  
10 determine if that changes his position. But at this time  
11 neither Palo Verde or Santa Cruz has any intention to  
12 amending the application to include additional properties,  
13 specifically properties that may be included in the  
14 districts.

15 ACALJ NODES: All right.

16 Ms. Vandenberg, does Mr. Sallquist's  
17 withdrawal of his request take care of Staff's concerns?  
18 I assume it does on the intervention issue.

19 MS. VANDENBERG: Yes, Your Honor.

20 ACALJ NODES: Okay. Staff, does Staff have  
21 anything further on this matter then?

22 MS. VANDENBERG: No, Your Honor.

23 ACALJ NODES: Okay. Well, I guess sort of  
24 much ado about nothing. But I guess it is always good to  
25 clarify things on the record. And it didn't take too much

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1 time to do that I guess.

2 Since the procedural order also proceeded to  
3 set the various other dates for consideration in this  
4 matter, including the hearing date for December 8th, I  
5 guess this matter will proceed according to that schedule  
6 unless otherwise changed. And so, unless you hear  
7 something further, we will plan on seeing everyone on  
8 December 8th or, if a discovery matter or something comes  
9 up, you can let me know.

10 All right. Well, thank you very much for  
11 participating. And we will be adjourned for the time  
12 being. Thank you.

13 MR. SALLQUIST: Thank you.

14 (The hearing concluded at 1:35 p.m.)

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