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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

COMMISSIONERS

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KRISTIN K. MAYES - Chairman
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BOB STUMP

SEP 24 2010

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY
[Signature]

IN THE MATTER OF THE APPLICATION OF
CHAPARRAL CITY WATER COMPANY, INC.
FOR A WAIVER UNDER A.A.C. R14-2-806 OR,
IN THE ALTERNATIVE, NOTICE OF INTENT
TO REORGANIZE UNDER A.A.C. R14-2-803.

DOCKET NO. W-02113A-10-0309

PROCEDURAL ORDER
SETTING HEARING

BY THE COMMISSION:

On July 23, 2010, Chaparral City Water Company, Inc. ("CCWC" or "Applicant") filed with the Arizona Corporation Commission ("Commission") an application for a waiver under A.A.C. R14-2-806 or, in the alternative, Notice of Intent to Reorganize under A.A.C. R14-2-803 ("Application and Notice").

Intervention in this matter has been granted to EPCOR Water (USA), Inc. ("EPCOR USA") and the Residential Utility Consumer Office ("RUCO").

On September 10, 2010, the Commission's Utilities Division ("Staff") filed a Request for Procedural Conference for the purpose of discussing the necessity for the filing of testimony and a hearing.

On September 14, 2010, a Procedural Order was issued setting a procedural conference as requested by Staff.

On September 23, 2010, the procedural conference convened as scheduled. CCWC, EPCOR USA, RUCO, and Staff appeared through counsel. The parties agreed to a procedural schedule for prefiled direct and rebuttal testimony, and for a hearing to be held in late November or early December, 2010.

The proposed procedural schedule is reasonable and appropriate. Accordingly this Procedural Order is issued setting a hearing and associated procedural deadlines.

IT IS THEREFORE ORDERED that the **hearing** on the above-captioned matter shall

1 commence on **December 9, 2010**, at **10:00 a.m.**, or as soon thereafter as is practical, at the
2 Commission's offices, 1200 West Washington Street, Hearing Room No. 1, Phoenix, Arizona 85007.

3 IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at
4 hearing on behalf of Staff, RUCO, and intervenors other than EPCOR USA shall be reduced to
5 writing and filed on or before November 10, 2010.

6 IT IS FURTHER ORDERED that rebuttal testimony and associated exhibits to be presented
7 at hearing on behalf of Applicant, EPCOR USA, and any intervenors wishing to rebut the direct
8 testimony filed on November 10, 2010, shall be reduced to writing and filed on or before December
9 1, 2010.

10 IT IS FURTHER ORDERED that any surrebuttal and rejoinder testimony shall be presented
11 orally at the hearing.

12 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
13 the Application and Notice, or to any prefiled testimony, shall be reduced to writing and filed no later
14 than five days before the witness is scheduled to testify.

15 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
16 except that all motions to intervene must be filed on or before **October 22, 2010**.

17 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have
18 been pre-filed as of December 1, 2010, shall be made before or at the hearing on December 9, 2010.

19 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
20 regulations of the Commission, except that until **October 29, 2010**, any objection to discovery
21 requests shall be made within 7 calendar days of receipt¹ and responses to discovery requests shall be
22 made within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made
23 within 5 calendar days and responses shall be made within 7 calendar days. The response time may
24 be extended by mutual agreement of the parties involved if the request requires an extensive
25 compilation effort.

26 IT IS FURTHER ORDERED that for discovery requests, objections, and answers, if a
27

28 ¹ The date of receipt of discovery requests is not counted as a calendar day, and requests received after 4:00 p.m. MST will be considered as received the next business day.

1 receiving party requests service to be made electronically, and the sending party has the technical
2 capability to provide service electronically, service to that party shall be made electronically.

3 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
4 discovery, any party seeking resolution of a discovery dispute may telephonically contact the
5 Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery
6 dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and
7 that the party making such a request shall forthwith contact all other parties to advise them of the
8 hearing date and shall at the hearing provide a statement confirming that the other parties were
9 contacted.²

10 IT IS FURTHER ORDERED that any motions which are filed in this matter and which are
11 not ruled upon by the Commission within 20 calendar days of the filing date of the motion shall be
12 deemed denied.

13 IT IS FURTHER ORDERED that any responses to motions shall be filed within five calendar
14 days of the filing date of the motion.

15 IT IS FURTHER ORDERED that any replies shall be filed within five calendar days of the
16 filing date of the response.

17 IT IS FURTHER ORDERED that Applicant shall provide public notice of the hearing in this
18 matter, in the following form and style, with the hearing in no less than 24 point bold type and the
19 body in no less than 10 point regular type:

20 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF CHAPARRAL CITY**
21 **WATER COMPANY, INC. FOR A WAIVER OF PUBLIC UTILITY HOLDING**
22 **COMPANIES AND AFFILIATED INTERESTS RULES (A.A.C. R14-2-801 *et seq.*)**
23 **UNDER A.A.C. R14-2-806, OR IN THE ALTERNATIVE, NOTICE OF INTENT TO**
24 **REORGANIZE UNDER A.A.C. R14-2-803. (Docket No. W-02113A-10-0309)**

25 On July 23, 2010, Chaparral City Water Company, Inc. ("Applicant") filed with the
26 Arizona Corporation Commission ("Commission") an application for a waiver of the
27 Commission's Public Utility Holding Companies and Affiliated Interests Rules under
28 A.A.C. R14-2-806 or, in the alternative, Notice of Intent to Reorganize under A.A.C.
R14-2-803 ("Application and Notice"). The Application and Notice states that
Applicant's parent company, American States Water Company, proposes to sell to

² The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

1 EPCOR Water (USA) Inc. all of the issued and outstanding shares of Applicant's
2 common stock.

3 **How You Can View or Obtain a Copy of the Application and Notice**

4 Copies of the Application and Notice are available from Applicant [APPLICANT
5 INSERT HOW AND WHERE AVAILABLE] and at the Commission's Docket
6 Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection
7 during regular business hours and on the Internet using the Commission's e-Docket
8 function, which is located in the lower right hand corner on the Commission's website
9 homepage, www.azcc.gov.

10 **Arizona Corporation Commission Public Hearing Information**

11 The Commission will hold a hearing on this matter beginning **December 9, 2010, at
12 10:00 a.m.**, at the Commission's offices, Hearing Room #1, 1200 West Washington
13 Street, Phoenix, Arizona. Public comments will be taken on the first day of the
14 hearing. Written public comments may be submitted by mailing a letter referencing
15 **Docket No. W-02113A-10-0309** to Arizona Corporation Commission, Consumer
16 Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a
17 form to use and instructions on how to e-mail comments to the Commission, go to
18 <http://www.azcc.gov/divisions/utilities/forms/publiccomment.pdf>. If you require
19 assistance, you may contact the Consumer Services Section at 1-800-222-7000.

20 **If you do not intervene in this proceeding, you will receive no further notice of
21 the proceedings in this docket. However, all documents filed in this docket are
22 available online** (usually within 24 hours after docketing) using the Commission's e-
23 Docket function, which is located in the lower portion of the Commission's website
24 homepage, www.azcc.gov. RSS feeds are also available using the Commission's e-
25 Docket function.

26 **About Intervention**

27 The law provides for an open public hearing at which, under appropriate
28 circumstances, interested parties may intervene. Any person or entity entitled by law
to intervene and having a direct and substantial interest in the matter will be permitted
to intervene.

If you wish to intervene, you must file an original and 13 copies of a written motion to
intervene with the Commission no later than **October 22, 2010**, and send a copy of the
motion to Applicant or its counsel and to all parties of record. Your motion to
intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and
telephone number of any party upon whom service of documents is to
be made, if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of
Applicant, a shareholder of Applicant, etc.); and
3. A statement certifying that you have mailed a copy of the motion to
intervene to Applicant or its counsel and to all parties of record in the
case. Names and contact information for the parties of record may be
obtained using the Commission's e-Docket function, which is located in
the lower portion of the Commission's website homepage,
www.azcc.gov.

1 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
2 that all motions to intervene must be filed on or before **October 22, 2010**. If
3 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
4 Court, intervention will be conditioned upon the intervenor obtaining counsel to
5 represent the intervenor. To see a sample intervention letter, go to
<http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of
6 intervention, among other things, entitles a party to present sworn evidence at hearing
7 and to cross-examine other witnesses. However, failure to intervene will not preclude
8 any interested person or entity from appearing at the hearing and providing public
9 comment on the application or from filing written comments in the record of the case.

6 **ADA/Equal Access Information**

7 The Commission does not discriminate on the basis of disability in admission to its
8 public meetings. Persons with a disability may request a reasonable accommodation
9 such as a sign language interpreter, as well as request this document in an alternative
10 format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail
11 SABernal@azcc.gov, voice phone number 602/542-3931. Requests should be made
12 as early as possible to allow time to arrange the accommodation.

10 IT IS FURTHER ORDERED that Applicant shall cause the above notice to be published at
11 least once in a newspaper of general circulation in its service territory, with publication to be
12 completed no later than **October 12, 2010**.

13 IT IS FURTHER ORDERED that Applicant shall file certification of publication as soon as
14 practicable after the publication has been completed.

15 IT IS FURTHER ORDERED that notice shall be deemed complete upon publication of same,
16 notwithstanding the failure of an individual to read or receive the notice.

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

20 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
21 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

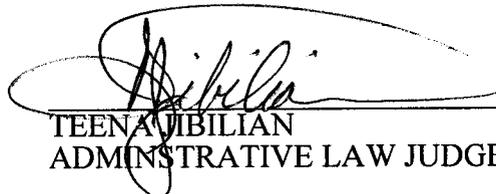
22 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
23 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*
24 *hac vice*.

25 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
26 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
27 Rules of Arizona Supreme Court). Representation before the Commission includes appearances at all
28

1 hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled
2 for discussion, unless counsel has previously been granted permission to withdraw by the
3 Administrative Law Judge or the Commission.

4 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
5 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
6 hearing.

7 DATED this 24th day of September, 2010.

8
9
10 
11 TEENA JIBILIAN
12 ADMINISTRATIVE LAW JUDGE

13
14 Copies of the foregoing mailed/delivered
this 24th day of September, 2010 to:

15 Norman D. James
16 Patrick J. Black
17 FENNEMORE CRAIG, P.C.
18 3003 North Central Avenue, Suite 2600
19 Phoenix, AZ 85012
20 Attorneys for Chaparral City Water Co., Inc.

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21 Thomas H. Campbell
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ARIZONA REPORTING SERVICE, INC.
2200 North Central Avenue, Suite 502
Phoenix, AZ 85004-1481

By: 
Debra Broyles
Secretary to Teena Jibilian