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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE – Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS

Arizona Corporation Commission

DOCKETED

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MAR 28 2011

CREATED BY [Signature]

ARIZONA CORPORATION  
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF  
ARIZONA-AMERICAN WATER COMPANY  
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-01303A-11-0101

PROCEDURAL ORDER  
SETTING HEARING

BY THE COMMISSION:

On March 2, 2011, Arizona-American Water Company (“Arizona-American” 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”).

On March 4, 2011, the Residential Utility Consumer Office (“RUCO”) filed an Application to Intervene.

On March 7, 2011, a procedural order was issued setting a procedural conference for the purpose of discussing the processing of the Application and Notice.

The procedural conference convened as scheduled. Counsel for the Applicant, RUCO and Staff appeared. No objection was made to RUCO’s intervention request, and RUCO will therefore be granted intervention.

At the procedural conference, the Applicant and Staff were in agreement regarding a procedural schedule with testimony to be filed in July, 2011, and a hearing to be held in August, 2011. RUCO proposed two alternative procedural schedules, both with testimony to be filed in June, 2011, and a hearing to be held in July, 2011.

The schedule proposed by the Applicant and Staff better allows adequate time for intervention, discovery, preparation of pre-filed testimony, and preparation for the hearing than do the alternative schedules proposed by RUCO. A procedural schedule with testimony to be filed in

1 July, 2011, and a hearing to be held in August, 2011, is reasonable and appropriate. Accordingly, this  
2 procedural order is issued setting a hearing and associated procedural deadlines.

3 IT IS THEREFORE ORDERED that the Residential Utility Consumer Office is hereby  
4 granted intervention.

5 IT IS FURTHER ORDERED that the **hearing** on the above-captioned matter shall commence  
6 on **August 23, 2011, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices,  
7 1200 West Washington Street, **Hearing Room No. 1**, Phoenix, Arizona 85007.

8 IT IS FURTHER ORDERED that **direct testimony** and associated exhibits to be presented at  
9 hearing **on behalf of Staff and intervenors** shall be reduced to writing and filed **on or before July**  
10 **15, 2011**.

11 IT IS FURTHER ORDERED that **rebuttal testimony** and associated exhibits to be presented  
12 at hearing **on behalf of Applicant, and on behalf of any intervenors wishing to rebut direct**  
13 **testimony filed on July 15, 2011**, shall be reduced to writing and filed **on or before July 29, 2011**.

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

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

19 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,  
20 except that all motions to intervene must be filed on or before **July 1, 2011**.

21 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have  
22 been pre-filed as of **July 29, 2011**, shall be made on or before **August 12, 2011**.

23 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and  
24 regulations of the Commission, except that until **July 29, 2011**, any objection to discovery requests  
25 shall be made within 7 calendar days of receipt<sup>1</sup> and responses to discovery requests shall be made  
26 within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made within  
27

28 <sup>1</sup> 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 5 calendar days and responses shall be made within 7 calendar days. The response time may be  
2 extended by mutual agreement of the parties involved if the request requires an extensive compilation  
3 effort.

4 IT IS FURTHER ORDERED that for discovery requests, objections, and answers, if a  
5 receiving party requests service to be made electronically, and the sending party has the technical  
6 capability to provide service electronically, service to that party shall be made electronically.

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

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

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

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

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

24 ...  
25 ...  
26 ...

27 \_\_\_\_\_  
28 <sup>2</sup> The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

**PUBLIC NOTICE OF HEARING ON THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY FOR A WAIVER OF PUBLIC UTILITY HOLDING COMPANIES AND AFFILIATED INTERESTS RULES (A.A.C. R14-2-801 *et seq.*) 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-01303A-11-0101)**

On March 2, 2011, Arizona-American Water Company ("Applicant") filed with the Arizona Corporation Commission ("Commission") an application for a waiver of the Commission's Public Utility Holding Companies and Affiliated Interests Rules 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"). The Application and Notice states that Applicant's parent company, American Water Works Company, Inc., proposes to sell to EPCOR Water (USA) Inc. all of the issued and outstanding shares of Applicant's common stock.

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

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

**Arizona Corporation Commission Public Hearing Information**

The Commission will hold a hearing on this matter beginning **August 23, 2011, at 10:00 a.m.**, at the Commission's offices, **Hearing Room #1**, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing **Docket No. W-01303A-11-0101** to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to [http://www.azcc.gov/divisions/utilities/forms/public\\_comment.pdf](http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf). If you require assistance, you may contact the Consumer Services Section at 602.542.4251 or toll free at 1.800.222.7000.

**If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this docket. However, all documents filed in this docket are available online** (usually within 24 hours after docketing) using the Commission's e-Docket function, which is located in the lower right hand corner of the Commission's website homepage, [www.azcc.gov](http://www.azcc.gov). RSS feeds are also available using the Commission's e-Docket function.

**About Intervention**

The law provides for an open public hearing at which, under appropriate 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 **July 1, 2011**, 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           2. Your name, address, and telephone number, and the name, address, and  
2           telephone number of any party upon whom service of documents is to  
3           be made, if not yourself;
- 4           3. A short statement of your interest in the proceeding (e.g., a customer of  
5           Applicant, a shareholder of Applicant, etc.); and
- 6           3. A statement certifying that you have mailed a copy of the motion to  
7           intervene to Applicant or its counsel and to all parties of record in the  
8           case. Names and contact information for the parties of record may be  
9           obtained using the Commission's e-Docket function, which is located in  
10          the lower right hand corner of the Commission's website homepage,  
11          [www.azcc.gov](http://www.azcc.gov).

12          The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except  
13          that all motions to intervene must be filed on or before July 1, 2011. All parties must  
14          comply with Arizona Supreme Court Rules 31 and 38 and A.R.S. § 40-243 with  
15          respect to the practice of law. For information about requesting intervention, go to  
16          <http://www.azcc.gov/divisions/utilities/FORMS/interven.pdf>. The granting of  
17          intervention entitles a party to present sworn evidence at hearing and to cross-examine  
18          other witnesses. However, failure to intervene will not preclude any interested person  
19          or entity from appearing at the hearing and providing public comment on the  
20          application or from filing written comments in the record of the case.

#### 21          ADA/Equal Access Information

22          The Commission does not discriminate on the basis of disability in admission to its  
23          public meetings. Persons with a disability may request a reasonable accommodation  
24          such as a sign language interpreter, as well as request this document in an alternative  
25          format, by contacting the ADA Coordinator, Shaylin Bernal, e-mail  
26          SABernal@azcc.gov, voice phone number 602.542.3931. Requests should be made as  
27          early as possible to allow time to arrange the accommodation.

28          IT IS FURTHER ORDERED that Applicant shall mail to each of its customers a copy of the  
above notice as a bill insert beginning with the first possible billing cycle in **April, 2011**, and shall  
cause a copy of such notice to be published at least once in a newspaper of general circulation in its  
service territory, with publication to be completed no later than **April 29, 2011**.

IT IS FURTHER ORDERED that Applicant shall file certification of publication and mailing  
as soon as practicable after the publication and mailing have been completed.

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

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

IT IS FURTHER ORDERED that the time periods specified herein shall not be extended

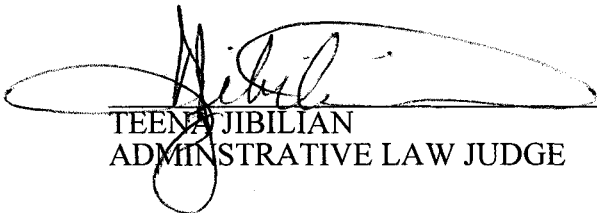
1 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

2 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules  
3 31 and 38 and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.

4 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance  
5 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona  
6 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings  
7 and procedural conferences, as well as all Open Meetings for which the matter is scheduled for  
8 discussion, unless counsel has previously been granted permission to withdraw by the Administrative  
9 Law Judge or the Commission.

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

13 DATED this 28<sup>th</sup> day of March, 2011.

14  
15  
16   
17 TEENA JIBILIAN  
18 ADMINISTRATIVE LAW JUDGE

19 Copies of the foregoing mailed/delivered  
20 this 28<sup>th</sup> day of March, 2011 to:

21 Thomas H. Campbell  
22 Michael T. Hallam  
23 LEWIS AND ROCA, LLP  
40 N. Central Avenue  
Phoenix, AZ 85004  
Attorneys for Arizona-American Water Co.

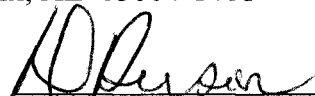
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By:   
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