

ORIGINAL

MEMORANDUM



0000130346

TO: Docket Control

RECEIVED

FROM: Steven M. Olea
Director, Utilities Division

EA for SMO
2011 OCT -6 P 4:10

Arizona Corporation Commission
DOCKETED

DATE October 6, 2011

AZ CORP COMMISSION
DOCKET CONTROL

OCT 6 2011

RE: WORKSHOP COMPLIANCE WITH DECISION NO. 71878
(DOCKET NO. W-00000C-06-0149)

DOCKETED BY

A workshop regarding a Generalized Cost of Equity ("COE") was held on June 16, 2011. The purpose of the workshop was to discuss the pros and cons of a periodic establishment of generalized COE information for potential use in Class A, B, and C water and/or wastewater utility rate cases. At the conclusion of that workshop, Arizona Corporation Commission ("Commission") Utilities Division Staff ("Staff") indicated that Staff had additional questions for industry participants and so would file those questions in the docket and schedule an additional workshop day to address the questions.

The fifth in a series of workshops to comply with the investigation ordered in Decision No. 71878 was held on June 24, 2011. The purpose of the workshop was to address (1) whether Infrastructure Coordination and Financing Agreements ("ICFAs"), or other mechanisms, if properly segregated and accounted for, could be utilized to finance the actual acquisition of troubled water companies, subject to Commission approval, and (2) whether ICFAs, if properly segregated and accounted for, would be appropriate for use in covering such expenses as a portion of the carrying costs associated with unused regional water and wastewater facilities or infrastructure which meets the Commission's objectives. Due to insufficient time, the discussions were terminated and one of the participants was not able to give his presentation. Because this ICFA workshop involves substantially the same group of stakeholders as the COE workshop, Staff indicated that both workshops could be completed on the same day.

Therefore, an additional day to complete the workshops in the above-named dockets is scheduled to be held on Friday, November 4, 2011, at 10:00 a.m., in the Commission Hearing Room, 1200 West Washington Street in Phoenix.

Parties who wish to be added to the service list in this docket should send notice of their interest, including a mailing address and an e-mail address, to Docket Control. Staff welcomes and appreciates the input of all interested parties. Please address any questions you may have regarding this matter to Nancy Scott (602) 542-0743 or Elijah Abinah (602) 542-6935.

SMO:cdb

Originator: Nancy Scott

AGENDA

WORKSHOP: Compliance With Decision No. 71878 (Docket No. W-00000C-06-0149)

WORKSHOP: Generic Investigation Regarding Generalized Cost of Equity for Class A, B, and C
Water and/or Wastewater Utilities (Docket No. WS-00000A-08-0194)

Friday, November 4, 2011

10:00 a.m.

Arizona Corporation Commission

Hearing Room

1200 W. Washington St.

Phoenix, AZ 85007

Agenda

1. Welcome – Commission Staff
2. Further discussion regarding generalized cost of equity
3. Final presentation regarding Infrastructure Coordination and Financing Agreements (“ICFAs”)
4. Additional comments and discussion regarding ICFAs
5. Wrap-up and Next Steps

Service List for:

ACC Workshop: Compliance With Decision No. 71878 (Docket No. W-00000C-06-0149)

ACC Workshop: Generic Investigation Regarding Generalized Cost of Equity for Class A, B, and C Water and/or Wastewater Utilities (Docket No. WS-00000A-08-0194)

Bryan O'Reilly
bor@snrllc.net
50 South Jones Blvd., Ste. 1
Las Vegas, Nevada 89107

Garry Hays
ghays@lawgdh.com
1702 E. Highland Ave., Ste. 204
Phoenix, Arizona 85016

Michael T. Hallam
mhallam@lrlaw.com
Thomas Campbell
tcampbell@lrlaw.com
Lewis and Roca, LLP
40 N. Central Ave., Ste. 1900
Phoenix, Arizona 85004-4429

Thomas Broderick
Thomas.broderick@amwater.com
Arizona American Water Co.
2355 West Pinnacle Peak Road, Suite 300
Phoenix, Arizona 85027

Michele Van Quathem
mvq@rcalaw.com
Ryley Carlock & Applewhite
One North Central Ave., Suite 1200
Phoenix, Arizona 85004-4417

Graham Symmonds
Graham.symmonds@gwresources.com
Global Water
21410 N. 19th Ave., Ste. 201
Phoenix, Arizona 85027

Daniel Hodges
Johnson Utilities, LLC
5230 E Shea Blvd, Ste 200
Phoenix, AZ 85284
danielhodges@qwest.net

Michael W. Patten
mpatten@rdp-law.com
Timothy Sabo
tsabo@rdp-law.com
Roshka, DeWulf & Patten, PLC
One Arizona Center
400 East Van Buren St., Ste.800
Phoenix, Arizona 85004

Court S. Rich
crich@roselawgroup.com
M. Ryan Hurley
rhurley@roselawgroup.com
Rose Law Group pc
6613 N. Scottsdale Road, Ste. 200
Scottsdale, AZ 85250

Mr. John Hackney
Wells Fargo Securities
301 South College Street
MACD 1053-056
Charlotte, North Carolina 28288
John.Hackney@WellsFargo.com

Joseph D. Harris
Vice President and Treasurer
Arizona Water Company
P.O. Box 29006
Phoenix, AZ 85038-9006
jharris@azwater.com

Jeffrey Crockett, Esq.
Brownstein Hyatt Farber Schreck, LLP
40 N Central Avenue, 14th Floor
Phoenix, AZ 85004
jcrockett@bhfs.com