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**BEFORE THE ARIZONA CORPORATION COMMISSION**

*Arizona Corporation Commission*

**DOCKETED**

JUL 30 2012

COMMISSIONERS

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

DOCKETED BY	nr
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IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY FOR AN EXTENSION OF ITS EXISITNG CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-01445A-06-0199

IN THE MATTER OF THE APPLICATION OF PALO VERDE UTILITIES COMPANY FOR AN EXTENSION OF ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. SW-03575A-05-0926

IN THE MATTER OF THE APPLICATION OF SANTA CRUZ WATER COMPANY FOR AN EXTENSION OF ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-03576A-05-0926

IN THE MATTER OF THE APPLICATION OF PALO VERDE UTILITIES COMPANY FOR AN EXTENSION OF ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. SW-03575A-07-0300

IN THE MATTER OF THE APPLICATION OF SANTA CRUZ WATER COMPANY FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-03576A-07-0300

ARIZONA WATER COMPANY, AN ARIZONA CORPORATION,

COMPLAINANT,

VS.

GLOBAL WATER RESOURCES, LLC, A FOREIGN LIMITED LIABILITY COMPANY; GLOBAL WATER RESOURCES, INC., A DELAWARE CORPORATION; GLOBAL WATER MANAGEMENT, LLC, A FOREIGN LIMITED LIABILITY COMPANY; SANTA CRUZ WATER COMPANY, LLC, AN ARIZONA LIMITED LIABILITY CORPORATION; PALO VERDE UTILITIES COMPANY, LLC, AN ARIZONA LIMITED LIABILITY

DOCKET NO. W-01445A-06-0200  
DOCKET NO. SW-20445A-06-0200  
DOCKET NO. W-20446A-06-0200  
DOCKET NO. W-03576A-06-0200  
DOCKET NO. SW-03575A-06-0200

1 CORPORATION; GLOBAL WATER – SANTA  
2 CRUZ WATER COMPANY, AN ARIZONA  
3 CORPORATION; GLOBAL WATER – PALO  
4 VERDE UTILITIES COMPANY, AN  
5 ARIZONA CORPORATION; JOHN AND JANE  
6 DOES 1-20; ABC ENTITIES I-XX,

7 RESPONDENTS.

8 IN THE MATTER OF THE JOINT  
9 APPLICATION OF CP WATER COMPANY  
10 AND FRANCISCO GRANDE UTILITIES  
11 COMPANY TO TRANSFER THEIR  
12 CERTIFICATES OF CONVENIENCE AND  
13 NECESSITY AND ASSETS TO PALO VERDE  
14 UTILITIES COMPANY AND SANTA CRUZ  
15 WATER COMPANY.

DOCKET NO. WS-01775A-07-0485  
DOCKET NO. SW-03575A-07-0485  
DOCKET NO. W-02442A-07-0485  
DOCKET NO. W-03576A-07-0485

DECISION NO. 73267

**ORDER**

16 Open Meeting  
17 July 18 and 19, 2012  
18 Phoenix, Arizona

19 **BY THE COMMISSION:**

20 This Order comes before the Arizona Corporation Commission (“Commission”) to resolve a  
21 Joint Motion to Dismiss a Formal Complaint without prejudice.

22 \* \* \* \* \*

23 Having considered the entire record herein and being fully advised in the premises, the  
24 Commission finds, concludes, and orders that:

25 **FINDINGS OF FACT**

26 1. On December 28, 2005, Global-Santa Cruz Water Company, LLC (“Global-Santa  
27 Cruz”) and Global-Palo Verde Utilities (“Global-Palo Verde”) (collectively “the Global Utilities”)<sup>1</sup>  
28 filed the first of a series of competing Certificate of Convenience and Necessity (“CC&N”) extension  
applications with the Arizona Corporation Commission (“Commission”).<sup>2</sup> The Global Utilities are  
limited liability corporations owned by Global Water Resources, LLC (“GWR”). At the time the  
application was filed, Global-Santa Cruz served approximately 9,650 water customers and Global-

<sup>1</sup> In Decision No. 69920 (September 27, 2007), the Commission approved the requests of Palo Verde Utilities Company, LLC, and Santa Cruz Water Company, LLC, to transfer their respective assets and CC&Ns to the newly formed corporations known as Global Water-Palo Verde and Global Water-Santa Cruz.

<sup>2</sup> Global Utilities’ Application filed in Docket No. W-03576A-05-0926.

1 Palo Verde served more than 9,500 wastewater customers.<sup>3</sup>

2         2. The CC&N extension application requested an extension of the Global Utilities'  
3 respective water and wastewater CC&Ns to include more than 69 square miles in the Maricopa/Casa  
4 Grande geographic areas in Pinal County.<sup>4</sup> The application proposed extending Global-Santa Cruz's  
5 CC&N to include 19,300 acres, or 30 sections of land, and to include 26,000 acres, or 40 sections of  
6 land, in Global-Palo Verde's CC&N.<sup>5</sup> The proposed service area for Global-Palo Verde was larger  
7 because the application requested approval to provide wastewater service in some areas where  
8 Arizona Water Company ("AWC") currently holds a CC&N to provide water service.<sup>6</sup> According to  
9 the application, the Global Utilities planned to serve several proposed master planned communities  
10 within portions of the extension areas.<sup>7</sup> The Global Utilities' application acknowledged that AWC's  
11 CC&N was located within the proposed extension area, but indicated that Global-Santa Cruz was not  
12 requesting an extension into AWC's certificated area.<sup>8</sup> However, Global-Santa Cruz stated that it  
13 *may* seek to serve the AWC areas where Global-Palo Verde had wastewater requests for service in  
14 order to provide a more integrated approach in the proposed extension areas.<sup>9</sup>

15         3. On March 29, 2006, AWC filed an application with the Commission for an extension  
16 of its Casa Grande system CC&N, to include virtually the same areas requested in the Global  
17 Utilities' application.<sup>10</sup> At that time, AWC provided water service to approximately 84,000  
18 customers in 22 systems throughout Arizona.<sup>11</sup> On the same date, AWC filed a request to intervene  
19 in the Global Utilities' CC&N extension docket. Intervention was granted by Procedural Order on  
20 April 12, 2006.

21         4. AWC's CC&N application included parcels of land adjacent to AWC's existing  
22 CC&N, as well as other areas.<sup>12</sup> AWC's application requested the extension of 112 parcels of land,  
23

24 <sup>3</sup> Staff Report dated October 26, 2006 in Docket No. W-03576A-05-0926.

25 <sup>4</sup> Global Utilities' Application (Docket No. W-03576A-05-0926).

26 <sup>5</sup> *Id.* at 2.

27 <sup>6</sup> Staff Report dated October 26, 2006 (Docket No. W-03576A-05-0926).

28 <sup>7</sup> Global Utilities' Application (Docket No. W-03576A-05-0926).

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *See* AWC Application (Docket No. W-01445-06-0199).

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

1 or approximately 70,000 acres, into AWC's Casa Grande CC&N.<sup>13</sup> AWC's application also  
2 requested an extension of AWC's CC&N to include the existing certificated area of CP Water  
3 Company ("CP Water"). CP Water subsequently filed a motion to be excluded from AWC's  
4 proposed extension area.<sup>14</sup>

5 5. On March 29, 2006, AWC filed a Formal Complaint ("Complaint") against GWR and  
6 various GWR affiliates alleging that GWR was conducting business as a public service corporation;  
7 that GWR was illegally using financing arrangements and fee demands; and that GWR was illegally  
8 infringing on AWC's CC&N and interfering with AWC's customers ("Complaint Docket").<sup>15</sup>

9 6. On April 7, 2006, the Global Utilities filed a request to intervene in the AWC CC&N  
10 extension docket.<sup>16</sup>

11 7. On May 17, 2007, Global Utilities filed a second application requesting an extension  
12 of their respective CC&Ns to include the same general area in Pinal County where AWC provides  
13 service.<sup>17</sup> AWC filed a motion to intervene in the Global Utilities' second CC&N extension docket,  
14 stating that AWC was "first in the field" and that AWC had facilities located adjacent and contiguous  
15 to the proposed extension area.<sup>18</sup> AWC was granted intervention in the Global Utilities' extension  
16 docket. AWC also requested consolidation of the two Global Utilities' extension dockets with  
17 AWC's CC&N extension docket. The three dockets were consolidated by Procedural Order issued  
18 December 20, 2007.

19 8. On May 15, 2008, AWC and Global Utilities (collectively "the Utilities") docketed a  
20 Settlement Agreement ("Agreement"), which the Utilities stated resolved the issues raised in the  
21 competing CC&N extension dockets, the Transfer docket, and the Complaint docket. The Agreement  
22 established "Planning Areas" for each party; contemplated each party receiving a specified CC&N  
23 extension area within proposed Planning Areas; purported to lay the ground work for increased  
24 cooperation between AWC and Global Utilities for the use of reclaimed water; and stated that the  
25

26 <sup>13</sup> Staff Report filed in Docket No. W-01445-06-0199 dated October 26, 2006.

27 <sup>14</sup> Motion to Exclude filed June 6, 2006 in Docket No. W-01445A-06-0199.

28 <sup>15</sup> See Docket No. W-01445A-06-0200 et al.

<sup>16</sup> Motion to Intervene dated April 6, 2006.

<sup>17</sup> Global Utilities Application (Docket No. SW-03575A-07-0300).

<sup>18</sup> AWC's Motion to Intervene dated May 17, 2007.

1 Agreement would end the lengthy dispute between AWC and Global Utilities. In the Agreement,  
2 AWC agreed to dismiss its Complaint against GWR/Global if the Agreement was approved by the  
3 Commission.

4 9. On June 16, 2008, AWC and Global filed a Motion to Consolidate the CC&N  
5 Extension Dockets, Transfer Docket, and Complaint Docket.

6 10. On August 5, 2008, by Procedural Order, Global Utilities and AWC CC&N Extension  
7 Dockets, Transfer Docket, and Complaint Docket were consolidated for purposes of hearing and  
8 resolution of the issues.

9 11. Subsequently, AWC and Global Utilities filed amended applications for extension of  
10 their respective CC&Ns reflecting the provisions set forth in the Agreement.

11 12. On June 8 and 9, 2009, hearings were conducted in the consolidated proceeding.

12 13. On May 1, 2012, the Commission issued Decision No. 73146 approving CC&N  
13 extensions for the Utilities generally in accordance with the boundaries established by the Utilities in  
14 the Agreement.

15 14. On May 31, 2012, a Joint Motion of Arizona Water Company and Global Entities to  
16 Dismiss Formal Complaint ("Motion") was docketed. The Motion states that AWC and Global  
17 jointly move to dismiss, without prejudice, the Formal Complaint filed by AWC against  
18 GWR/Global,<sup>19</sup> and that the Motion is being filed pursuant to the terms of paragraphs 4(g) and 9(a) of  
19 the Agreement.

20 15. On June 8, 2012, Staff docketed a Response to Joint Motion to Dismiss, stating that  
21 Staff has reviewed the Motion and does not oppose granting the motion to dismiss the Complaint  
22 without prejudice.

23 16. Based on the joint Motion and Staff's response thereto, we find it appropriate and in  
24 the public interest to grant dismissal of the Formal Complaint without prejudice.

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26  
27 <sup>19</sup> GWR, as the successor in interest to Global Water Resources, LLC, Global Water-Santa Cruz Water Company, Global  
28 Water- Palo Verde Utilities Company, and Global Water Management, Inc. as the successor in interest to Global Water  
Management, LLC.

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**CONCLUSIONS OF LAW**

1. Arizona Water Company, Global-Palo Verde, Global-Santa Cruz, CP Water Company, and Francisco Grande Utility Company are public service corporations within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-246, 40-281, 40-282, and 40-285.

2. The Commission has jurisdiction over Arizona Water Company, Global-Palo Verde, Global-Santa Cruz and the subject matter of the Formal Complaint filed by Arizona Water Company.

3. It is in the public interest to dismiss Arizona Water Company's Formal Complaint, without prejudice.

**ORDER**

IT IS THEREFORE ORDERED that the Joint Motion to Dismiss the Formal Complaint filed by Arizona Water Company in Docket No. W-01445A-06-0200 is hereby granted and the Formal Complaint is dismissed without prejudice.

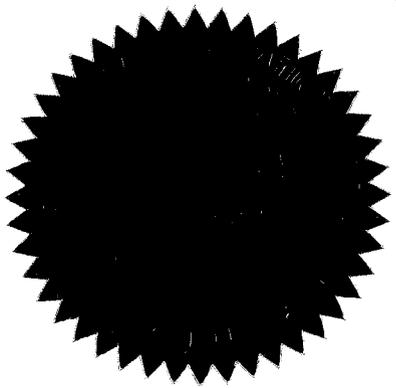
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1 IT IS FURTHER ORDERED that Docket Control is hereby instructed to administratively  
2 close Docket No. W-01445A-06-0200.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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7 *Greg A. Deen* CHAIRMAN *[Signature]* COMMISSIONER  
8  
9 *Andrew J. Terack* COMMISSIONER *Paul M. [Signature]* COMMISSIONER *Brenda P. [Signature]* COMMISSIONER  
10



11 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,  
12 Executive Director of the Arizona Corporation Commission,  
13 have hereunto set my hand and caused the official seal of the  
14 Commission to be affixed at the Capitol, in the City of Phoenix,  
15 this 30th day of July, 2012.

16 *E G Johnson*  
17 ERNEST G. JOHNSON  
18 EXECUTIVE DIRECTOR

19 DISSENT \_\_\_\_\_

20 DISSENT \_\_\_\_\_

21 YBK:db

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1	SERVICE LIST FOR:	ARIZONA WATER COMPANY, PALO VERDE UTILITIES COMPANY, SANTA CRUZ WATER COMPANY, GLOBAL WATER RESOURCES, LLC, CP WATER COMPANY and FRANCISCO GRANDE UTILITIES.
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4	DOCKET NOS.:	W-01445A-06-0199, SW-03575A-05-0926, W-03576A-05-0926, SW-03575A-07-0300, W-03576A-07-0300, W-01445A-06-0200, SW-20445A-06-0200, W-20446A-06-0200, W-03576A-06-0200, SW-03575A-06-0200, WS-01775A-07-0485, SW-03575A-07-0485, W-02442A-07-0485, and W-03576A-07-0485.
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