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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
DOCKET CONTROL

COMMISSIONERS

- BOB STUMP – Chairman
- GARY PIERCE
- BRENDA BURNS
- BOB BURNS
- SUSAN BITTER SMITH

THE MATTER OF THE APPLICATION OF VALENCIA WATER COMPANY-TOWN DIVISION FOR THE ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES FOR UTILITY SERVICE DESIGNED TO REALIZE A REASONALBE RATE OF RETURN ON THE FAIR VALUE OF ITS PROPERTY THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. W-01212A-12-0309

IN THE MATTER OF THE APPLICATION OF GLOBAL WATER-PALO VERDE UTILITIES COMPANY FOR THE ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES FOR UTILITY SERVICE DESIGNED TO REALIZE A REASONABLE RATE OF RETURN ON THE FAIR VALUE OF ITS PROPERTY THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. SW-20445A-12-0310

IN THE MATTER OF THE APPLICATION OF WATER UTILITY OF NORTHERN SCOTTSDALE FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-03720A-12-0311

IN THE MATTER OF APPLICATION OF WATER UTILITY OF GREATER TONOPAH FOR THE ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES FOR UTILITY SERVICE DESIGNED TO REALIZE A REASONABLE RATE OF RETURN ON THE FAIR VALUE OF ITS PROPERTY THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. W-02450A-12-0312

IN THE MATTER OF THE APPLICATION OF VALENCIA WATER COMPANY- GREATER BUCKEYE DIVISION FOR THE ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES FOR UTILITY SERVICE DESIGNED TO REALIZE A REASONABLE RATE OF RETURN ON THE FAIR VALUE OF ITS PROPERTY THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. W-02451A-12-0313

Arizona Corporation Commission

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1 IN THE MATTER OF THE APPLICATION OF  
2 GLOBAL WATER – SANTA CRUZ WATER  
3 COMPANY FOR THE ESTABLISHMENT OF  
4 JUST AND REASONABLE RATES AND  
5 CHARGES FOR UTILITY SERVICE DESIGNED  
6 TO REALIZE A REASONABLE RATE OF  
7 RETURN ON THE FAIR VALUE OF ITS  
8 PROPERTY THROUGHOUT THE STATE OF  
9 ARIZONA.

DOCKET NO. W-20446A-12-0314

6 IN THE MATTER OF THE APPLICATION OF  
7 WILLOW VALLEY WATER COMPANY FOR  
8 THE ESTABLISHMENT OF JUST AND  
9 REASONABLE RATES AND CHARGES FOR  
10 UTILITY SERVICE DESIGNED TO REALIZE A  
11 REASONABLE RATE OF RETURN ON THE  
12 FAIR VALUE OF ITS PROPERTY  
13 THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. W-01732A-12-0315

**PROCEDURAL ORDER**

**BY THE COMMISSION:**

11 On July 9, 2012, Valencia Water Company – Town Division (“VWCT”), Global Water – Palo  
12 Verde Utilities Company (“Palo Verde”), Water Utility of Northern Scottsdale (“WUNS”), Water  
13 Utility of Greater Tonopah (“WUGT”), Valencia Water Company – Greater Buckeye Division  
14 (“VWCGB”), Global Water – Santa Cruz Water Company (“Santa Cruz”), and Willow Valley Water  
15 Company (“Willow Valley”) (collectively “Global Water” or “Company”) filed with the Arizona  
16 Corporation Commission (“Commission”) applications for the establishment of just and reasonable  
17 rates and charges for utility service designed to realize a reasonable rate of return on the fair value of  
18 their property throughout the State of Arizona.

19 Intervention has been granted to the Residential Utility Consumer Office (“RUCO”), New  
20 World Properties, Inc. (“New World”), the City of Maricopa (“Maricopa”), Maricopa Area  
21 Homeowners Associations (“Maricopa HOAs”),<sup>1</sup> Steven P. Tardiff, the Willow Valley Club  
22 Association (“WVCA”), Dana J. Jennings, Andy and Marilyn Mausser, and Sierra Negra Ranch  
23 (“Sierra Negra”). Intervention was also granted to Global Water Resources, Inc., Hassayampa  
24

25 <sup>1</sup> The represented HOAs are: Acacia Crossings Homeowners Association (“Acacia”), Alterra Homeowners Association  
26 (“Alterra”), Cobblestone Farms Homeowners Association (“Cobblestone”), Desert Cedars Homeowners Association  
27 (“Desert Cedars”), Desert Passage Community Association (“Desert Passage”), Glennwilde Homeowners’ Association  
28 (“Glennwilde”), Homestead North Homeowners’ Association (“Homestead North”), Maricopa Meadows Homeowners  
Association (“Maricopa Meadows”), Province Community Association (“Province”), Rancho El Dorado Homeowners  
Association (“Rancho El Dorado”), Rancho El Dorado Phase III Homeowners Association (“Rancho El Dorado III”),  
Rancho Mirage Master Planned Community Homeowners Association (“Rancho Mirage”), Senita Community  
Association (“Senita”), and Sorrento Community Master Association (“Sorrento”).

1 Utilities Company, Picacho Cove Water Company, and Picacho Cove Utilities Company  
2 (collectively, "Global Intervenors").

3

4 By Procedural Order issued November 20, 2012, the above-captioned dockets were  
5 consolidated, a hearing was scheduled, the Company was directed to publish notice, and other  
6 procedural deadlines were established.

7 On April 19, 2013, the Commission's Utilities Division ("Staff") filed a Request for  
8 Modification of the Procedural Schedule.

9 By Procedural Order issued April 30, 2013, the hearing was rescheduled to commence on  
10 September 5, 2013 and other procedural dates were amended.

11 On July 12, 2013, Staff filed a second Request for Modification to the Procedural Schedule.

12 On July 12, 2013, Global Water Resources, Inc., Hassayampa Utilities Company, Picacho  
13 Cove Water Company, and Picacho Cove Utilities Company filed a Motion to Intervene in response  
14 to Staff's direct testimony which recommended that those entities be added as parties to these  
15 consolidated dockets.

16 On July 15, 2013, a hearing was convened for the purpose of taking public comment only, due  
17 to the previously scheduled and noticed hearing date.

18 By Procedural Order issued July 18, 2013, Staff's Request for Modification to the Procedural  
19 Schedule was granted.

20 On July 25, 2013, Staff filed a third Request to Modify Procedural Schedule to allow  
21 additional time for settlement discussions.

22 By Procedural Order issued July 26, 2013, Staff's Request for Modification to the Procedural  
23 Schedule was granted.

24 On August 13, 2013, a Proposed Settlement Agreement ("Settlement Agreement") was filed  
25 in this matter, signed by the Global Water Companies (*i.e.*, Palo Verde, Santa Cruz, VWCT, WUNS,  
26 WUGT, VWCGB, and Willow Valley), the Global Intervenors, Staff, RUCO, Province, Rancho El  
27 Dorado III, and Cobblestone.

28 On August 16, 2013, Staff filed a Notice of Errata making corrections to the H-3 Schedules

1 attached to the Settlement Agreement.

2 On August 20, 2013, Global Water filed a Motion to Establish Schedule for SIB [System  
3 Improvement Benefit mechanism] Testimony. In its Motion, the Company requested that testimony  
4 regarding the SIB mechanism be scheduled to be filed by Global on August 21, 2013; by Staff on  
5 August 28, 2013; and that responsive testimony be filed by Global or other intervenors by September  
6 3, 2013. The Company stated that Staff, RUCO, and WVCA were in agreement with the proposed  
7 schedule, and although RUCO did not object to establishment of a procedural process for submitting  
8 testimony, "RUCO does not waive its right to object to the timeliness of the application for the SIB  
9 and what they believe is a late-filed request." (Global Motion, at 1-2.)

10 On August 21, 2013, Staff filed Attachment E to the Settlement Agreement.

11 On August 21, 2013, additional signatures to the Settlement were filed by Maricopa, Alterra,  
12 Desert Cedars, Homestead North, Maricopa Meadows, Rancho El Dorado, Senita, and Sorrento.

13 On August 21, 2013, testimony in support of the Settlement Agreement was filed by: the  
14 Company (Ron Fleming, Paul Walker, and Matthew Rowell); Staff (Steve Olea); RUCO (Patrick  
15 Quinn); Maricopa (Paul Jepsen); and the Maricopa HOAs (Pam Hilliard).

16 On August 21, 2013, testimony in opposition to the Settlement Agreement was filed by: New  
17 World (Richard Jellies); and Sierra Negra (John O'Reilly).

18 IT IS THEREFORE ORDERED that **the following schedule shall be established to filing**  
19 **testimony and for hearing regarding Global Water's request for a SIB mechanism:**

20	<b>Global Water Proposal</b>	<b>Filed on August 21, 2013</b>
21	<b>Staff Report or Staff Testimony</b>	<b>September 6, 2013</b>
22	<b>Global and Intervenor Responsive Testimony</b>	<b>September 13, 2013</b>
23	<b>Hearing on SIB Mechanism</b>	<b>September 19, 2013</b>

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

27  
28

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

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

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

9 DATED this 27<sup>th</sup> day of August, 2013.

11 

12 DWIGHT D. NODES  
13 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

14  
15 Copies of the foregoing mailed/delivered  
16 This 27<sup>th</sup> day of August, 2013 to:

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Valencia Water Company – Greater Buckeye Division; Global  
Water – Santa Cruz Water Company and Willow Valley  
Water Co., Inc.; Global Water Resources, Inc.; Hassayampa Utilities Company;  
Picacho Cove Water Company; and Picacho Cove Utilities Company

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By:



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Assistant to Dwight D. Nodes