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BEFORE THE ARIZONA CORPORATION COMMISSION

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**COMMISSIONERS**

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

IN 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 REASONABLE  
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, INC. FOR A  
RATE INCREASE

Docket Nos. W-03720A-12-0311

IN THE MATTER OF THE 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

**NOTICE OF FILING ERRATA  
TO RON FLEMING REBUTTAL  
TESTIMONY REGARDING  
SETTLEMENT AGREEMENT**

Arizona Corporation Commission  
**DOCKETED**

SEP - 3 2013

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

DOCKET NO. W-20446A-12-0314

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

DOCKET NO. W-01732A-12-0315

**NOTICE OF FILING ERRATA  
TO RON FLEMING REBUTTAL  
TESTIMONY REGARDING  
SETTLEMENT AGREEMENT**

11 On August 30, 2013, Global Water – Palo Verde Utilities Company, Global Water – Santa  
12 Cruz Water Company, Valencia Water Company – Town Division, Valencia Water Company –  
13 Greater Buckeye Division, Water Utility of Greater Tonopah, Willow Valley Water Co. and  
14 Water Utility of Northern Scottsdale (collectively, the “Global Utilities”) and Global Water  
15 Resources, Inc., Hassayampa Utility Company, Inc., Global Water – Picacho Cove Utilities  
16 Company and Global Water – Picacho Cove Water Company (collectively, the “Global  
17 Intervenors”, and with the Global Utilities, “Global”) filed the rebuttal testimony of Ron Fleming  
18 in support of the Settlement Agreement. The word "not" should be added to the following  
19 sentence on page 5 line 23 of Ron Fleming's testimony and the sentence should read: "I have to  
20 emphasize that these are sophisticated and experienced business people, they chose to sign the  
21 ICFAs and the Commission should [ADD "NOT"] take the extraordinary step of inserting itself  
22 into the reformation of a contract between two multi-million dollar business entities."

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RESPECTFULLY SUBMITTED this 3<sup>rd</sup> day of September, 2013.

ROSHKA DEWULF & PATTEN, PLC

By Timothy J. Sabo  
Michael W. Patten  
Timothy J. Sabo  
One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004

*Attorneys for Global Utilities*

Original +13 copies of the foregoing  
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Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Copies of the foregoing hand-delivered/mailed  
this 3<sup>rd</sup> day of September 2013 to:

Dwight D. Nodes, Esq.  
Assistant Chief Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Garry D. Hays, Esq.  
The Law Offices of Garry D. Hays, PC  
1702 East Highland Avenue, Suite 204  
Phoenix, AZ 85016

Janice Alward, Esq.  
Chief Counsel, Legal Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Jeffrey W. Crockett, Esq.  
Brownstein Hyatt Farber Schreck, LLP  
One East Washington Street, Suite 2400  
Phoenix, Arizona 85004

Steven M. Olea  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Daniel W. Pozefsky, Esq.  
Chief Counsel  
Residential Utility Consumer Office  
1110 West Washington Street, Suite 200  
Phoenix, Arizona 85007

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Lawrence V. Robertson, Jr., Esq.  
Of Counsel, Munger Chadwick  
P.O. Box 1448  
Tubac, Arizona 85646  
Attorney for the City of Maricopa

Denis M. Fitzbibbons, Esq.  
Fitzgibbons Law Offices, P.L.C.  
1115 E. Cottonwood Lane, Suite 150  
Casa Grande, AZ 85122  
Attorney for the City of Maricopa

Willow Valley Club Association  
c/o Gary McDonald, Chairman  
1240 Avalon Avenue  
Havasu City, AZ 86404

Steven P. Tardiff  
44840 W. Paitilla Lane  
Maricopa, AZ 85139

Andy and Marilyn Mausser  
20828 North Madison Drive  
Maricopa, AZ 85138

By *Kesbee Amund*

Robert J. Metli, Esq.  
Munger Chadwick, PLC  
2398 E. Camelback Road, Suite 240  
Phoenix, Arizona 85016

Barry W. Becker  
Bryan O'Reilly  
SNR Management, LLC  
50 S. Jones Blvd., Suite 101  
Las Vegas, Nevada 89107

Michele Van Quathem, Esq.  
Ryley Carlock & Applewhite  
One North Central Avenue, Suite 1200  
Phoenix, AZ 85004-4417

William P. Sullivan, Esq.  
Curtis, Goodwin, Sullivan, Udall & Schwab  
501 East Thomas Road  
Phoenix, AZ 85012-3205  
Attorney for the Willow Valley Club  
Association

1 **Q. Are there any particular concerns about the SNR and NWP ICFAs?**

2 A. Yes. The SNR and NWP properties are very large properties, and they are located very  
3 far to the west of Phoenix, their properties are actually west of the Palo Verde Nuclear  
4 Generating Station in Tonopah. The Tonopah Interchange is 28.3 miles west of Verrado,  
5 and only 25 miles east of the La Paz County. In short, they are a long way outside of  
6 the Valley. The location of these properties is shown on Attachment H. We don't know  
7 when these properties will begin developing; given how far out they are – it could be a  
8 while. And once they start, it will take decades to “build out” given the size of these  
9 properties. Thus, if there is no CPI provision, Global Parent faces a significant inflation  
10 risk, as the cost of Global Parent's services under the ICFA rises over the coming  
11 decades.

12  
13 **IV. Alleged competitive disadvantage.**

14 **Q. What about SNR and NWP's claims of competitive disadvantage?**

15 A. SNR and NWP seem to be claiming that they are at a disadvantage due to the “up front”  
16 payments required in their ICFA. But the more they pay “up front”, the less is subject to  
17 any CPI adjustment. Moreover, the payments made to date are tied to events that directly  
18 benefit SNR and NWP, including:

- 19 1. Global's purchase of WMC, which they specifically contracted for in their ICFAs;
- 20 2. Obtaining the CC&N and 208 permits, which enhance the value of their property.

21  
22 I have to emphasize that these are sophisticated and experienced business people, they  
23 chose to sign the ICFAs and the Commission should **not** take the extraordinary step of  
24 inserting itself into the reformation of a contract between two multi-million dollar  
25 business entities.

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