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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

DOCKETED

SEP - 4 2013

AZ CORP COMMISSION
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COMMISSIONERS

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

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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 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

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

DOCKET NO. W-20446A-12-0314

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

DOCKET NO. W-01732A-12-0315

**NOTICE OF FILING TESTIMONY
SUMMARY OF JOHN F. O'REILLY
IN OPPOSITION OF SETTLEMENT
AGREEMENT ON BEHALF OF
SIERRA NEGRA RANCH, LLC AND
SIERRA NEGRA MANAGEMENT,
LLC**

13
14 Sierra Negra Ranch, LLC and Sierra Negra Management, LLC, by and through
15 undersigned counsel, hereby files their Notice of Filing Testimony Summary of John F. O'Reilly
16 in Opposition of Settlement Agreement in the above-docketed proceedings.

17 DATED this 4th day of September, 2013.

18 MUNGER CHADWICK, P.L.C.

19
20 
21 Robert J. Metli
22 Attorneys for Intervenors Sierra Negra
Ranch, LLC and Sierra Negra Management,
LLC

23 Original + 13 copies of the foregoing
24 filed this 4th day of September, 2013, with:

25 Docket Control
26 ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

1 Copies of the foregoing hand-delivered/mailed/
2 emailed this 4th day of September, 2013, to:

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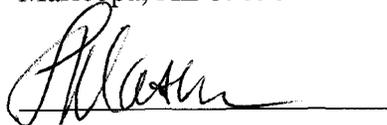
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

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
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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

1 IN THE MATTER OF THE APPLICATION OF
2 VALENCIA WATER COMPANY—GREATER
3 BUCKEYE DIVISION FOR THE
4 ESTABLISHMENT OF JUST AND
5 REASONABLE RATES AND CHARGES FOR
6 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

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

DOCKET NO. W-20446A-12-0314

13 IN THE MATTER OF THE APPLICATION OF
14 WILLOW VALLEY WATER COMPANY FOR
15 THE ESTABLISHMENT OF JUST AND
16 REASONABLE RATES AND CHARGES FOR
17 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-01732A-12-0315

18
19 **TESTIMONY SUMMARY OF JOHN F. O' REILLY**
20 **IN OPPOSITION OF SETTLEMENT AGREEMENT**

21 **ON BEHALF OF**
22 **SIERRA NEGRA RANCH, LLC AND SIERRA NEGRA MANAGEMENT, LLC**
23 **SEPTEMBER 4, 2013**
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1 Mr. John F. O'Reilly is the owner of Strategic Associates, Inc. which is an investor in and
2 a member of Sierra Negra Ranch LLC. Mr. O'Reilly is also part of the Sierra Negra Ranch
3 management group Sierra Negra Management, LLC.

4 Mr. O'Reilly's testimony addresses the concerns of intervenor Sierra Negra Ranch
5 ("SNR") related to the Settlement Agreement entered into between various parties to this Docket.
6 Specifically, that: (1) the Arizona Corporation Commission ("ACC" or "Commission") should
7 assert jurisdiction over Global Water Resources ("GWR") and the Infrastructure, Coordination,
8 Finance and Option Agreements ("ICFAs") entered into by GWR, to protect the ratepayers and
9 others for which that infrastructure will serve; (2) insure the existence of the ICFA in conjunction
10 with the newly developed hook-up fee ("HUF") in this case will not put developers who entered
11 into ICFAs at a competitive disadvantage with developers that have not; (3) require GWR to
12 modify the ICFAs to incorporate the provisions of HUF in order to resolve inconsistencies
13 between the two; and (4) to review and regulate the financial condition of GWR so that it will be
14 capable of fulfilling and actually fulfill all of its obligations under all ICFAs.

15 In addition, Mr. O'Reilly describes the ICFA, addresses why SNR entered into the ICFA,
16 discusses SNR's understanding as to how the funds paid under the ICFA would be utilized, and
17 SNR's concerns related to the ICFAs. Finally, Mr. O'Reilly addresses the concerns SNR has
18 related to certain provisions in the Settlement Agreement.

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