



0000150884

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

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

2014 JAN 17 P 3:44

ORIGINAL

AZ CORP COMMISSION
DOCKET CONTROL

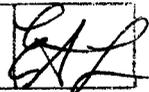
IN THE MATTER OF THE APPLICATION
OF ARIZONA WATER COMPANY, INC.,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANT AND PROPERTY
AND FOR ADJUSTMENTS TO ITS RATES
AND CHARGES FOR UTILITY SERVICE
FURNISHED BY ITS EASTERN GROUP
AND FOR CERTAIN RELATED
APPROVALS

DOCKET NO. W-01445A-11-0310

Arizona Corporation Commission

DOCKETED

JAN 17 2014

DOCKETED BY 

**Joint Rehearing Brief
of Global Water and
Liberty Water**

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

I. INTRODUCTION1

II. RUCO BEARS THE BURDEN OF PROOF2

III. THE SIB IS NEEDED DUE TO THE RATE IMPACT OF NECESSARY, LARGE INFRASTRUCTURE INVESTMENTS.2

IV. THE SIB FULLY COMPLIES WITH THE ARIZONA CONSTITUTION.4

 A. The SIB Is a Lawful Adjustor Mechanism.4

 B. In the Alternative, the SIB Mechanism Is a Lawful Rate Surcharge.....8

V. CONCLUSION.....10

1 Intervenor Rio Rico Utilities, Inc. d/b/a Liberty Utilities (“Liberty Utilities”) and
2 the Global Water Utilities¹ (“Global Water”) submit this Joint Rehearing Brief in support
3 of the SIB mechanism and Decision No. 73938 (June 27, 2013).

4 **I. INTRODUCTION.**

5 There is no question that massive plant investment is needed in many Arizona water
6 and wastewater systems. The only question is how that investment will be reflected in
7 rates. RUCO prefers that for water and wastewater infrastructure the old fashioned method
8 be used, where years of investments would be added to rate base all at once in a rate case,
9 resulting in large rate increases. But that is not the only option.

10 The SIB, for example, allows certain, specified types of necessary utility plant
11 investments to be added to rate base gradually, resulting in gradual changes to rates. There
12 is no question that the vast majority of Arizonans prefer the gradual method, and no
13 question about whether smaller, gradual changes are less difficult for customers to manage
14 than large, unexpected changes.

15 In its rehearing brief, RUCO argues that the SIB is illegal, based on a theory that
16 Arizona law only allows adjustor mechanisms for operating expenses. This argument is
17 without merit. Arizona law does not limit adjustor mechanisms in that way, and the
18 Commission has approved many other adjustor mechanisms that include recovery of plant
19 costs – the very thing that RUCO objects to here. In fact, in the electric infrastructure
20 context, RUCO itself has actively and frequently supported plant-related adjustor
21 mechanisms, further undermining its strained legal arguments.

22 And critically, as the fundamental first step in its review of this hearing, the
23 Commission should bear in mind that RUCO bears the burden of proof on rehearing.
24 RUCO has not shown that Decision No. 73938 should be set aside.

25
26
27 ¹ Global Water – Palo Verde Utilities Company, Global Water – Santa Cruz Water Company,
Valencia Water Company – Town Division, Valencia Water Company – Greater Buckeye
Division, Water Utility of Greater Tonopah, Willow Valley Water Co. and Water Utility of
Northern Scottsdale.

1 **II. RUCO BEARS THE BURDEN OF PROOF.**

2 RUCO bears the burden of proof in this rehearing proceeding. The Commission
3 defines an Applicant as “[a]ny person requesting a certificate, permit, other authority or
4 any affirmative relief other than a complainant shall be designated ‘Applicant.’”² Here,
5 RUCO filed the Application for Rehearing, and RUCO seeks the affirmative relief of
6 modifying or setting aside Decision No. 73938. Thus, RUCO is the Applicant for the
7 purposes of the rehearing. Under the Commission’s rules, each Applicant “must carry the
8 burden of proof.”³ Here, RUCO bears the burden of proof on rehearing.

9 The rehearing statute provides that:

10 If, after a rehearing and a consideration of all the facts, including those
11 arising since the making of the order or decision, the commission finds that
12 the original order or decision or any part thereof is in any respect **unjust or**
13 **unwarranted, or should be changed**, the commission may abrogate,
14 change, or modify the order or decision, and such order or decision has the
15 same force and effect as an original order or decision, but shall not affect any
16 right or the enforcement of any right arising from or by virtue of the original
17 order or decision, unless so ordered by the commission.⁴

18 Thus, RUCO bears the burden of showing that that Decision No. 7938 was “unjust
19 or unwarranted, or should be changed.” RUCO has failed to meet this high burden.

20 **III. THE SIB IS NEEDED DUE TO THE RATE IMPACT OF NECESSARY,**
21 **LARGE INFRASTRUCTURE INVESTMENTS.**

22 The uncontroverted evidence in this case is that Arizona in general, and Arizona
23 Water Company’s Eastern Group in particular, will require very large capital expenditures
24 to replace aging water infrastructure. In Phase I of this docket, Arizona Water presented
25 extensive evidence, including a detailed engineering study, as to its particular needs on the
26 Eastern Group.⁵ Based on this evidence, the Commission concluded in its Phase I order
27 that:

28 ² A.A.C. R14-3-103(B).

29 ³ A.A.C. R14-3-109(G).

30 ⁴ A.R.S. § 40-253(E)(emphasis added).

31 ⁵ See e.g. Phase I Exhibit A-29 (Rebuttal Testimony of Fredrick K. Schneider) at Exhibit FKS-
32 RB8 (Eastern Group Water Loss Report); Phase I Exhibit A-9 (Direct Testimony of Joseph D.
33 Harris) at Exhibit JDH-3, Attachment A (DSIC Study); Phase I Exhibits A-11 to A-15 (Eastern
34 Group Line Break Maps); Phase I Exhibits A-16 to A-27 (photos of Eastern Group pipes and
35 related infrastructure).

1 AWC has provided plentiful evidence that its Eastern Group systems, most
2 notably the Miami and Bisbee systems, have areas in which the pipes have
3 corroded or otherwise degraded so as to become very fragile and to have
4 leaks and breaks occurring at excessive rates. AWC has also established
5 that the frequency of leaks and breaks in Eastern Group systems is
6 generally increasing and that AWC needs to begin, and arguably already
7 should have been, replacing infrastructure at a much faster rate than it has
8 historically done.⁶

9 At the rehearing, Mr. Walker reported on studies from the Congressional Budget
10 Office, the United States Environmental Protection Agency, the American Society of Civil
11 Engineers, the National Regulatory Research Institute and the American Water Works
12 Association showing the significant need nationwide for substantial additional investment
13 in water infrastructure to replace and repair existing systems.⁷

14 RUCO did not controvert any of this evidence. RUCO's witness, Mr. Mease,
15 admitted that he had reviewed many of these studies, and that RUCO had no response to
16 this testimony.⁸ He even agreed that the need shown by these studies could be described
17 as "extraordinary" "under certain circumstances."⁹ Regarding Arizona Water's specific
18 infrastructure needs in its Eastern Group, Mr. Mease agreed that RUCO has "no idea" what
19 those needs are over the next five years.¹⁰

20 Thus, there is no dispute that large investments must be made. The question is only
21 how those large investments will be reflected in rates. RUCO prefers that years' worth of
22 investments be added to rate base in one fell swoop, resulting in larger (but less frequent)
23 rate increases. Staff, Arizona Water, Global Water, and Liberty Water believe that more
24 gradual rate increases under a SIB are preferable and in the public interest. Mr. Walker
25 testified that polling results confirm that over 89 percent of Arizonans prefer the smaller,
26 more frequent rate increases to larger, infrequent rate increases.¹¹

27 ⁶ Decision No. 73736 (Feb. 20, 2013) at 104:16-21.

⁷ Exhibit Global-Rehearing-4 (Rehearing Rebuttal Testimony of Paul Walker) at 3-5.

⁸ Reviewed studies, Rehearing Tr. at 30. No testimony in response to Mr. Walker's testimony,
Rehearing Tr. at 21:10-19.

⁹ Rehearing Tr. at 30:24 to 31:3.

¹⁰ Rehearing Tr. at 31:4-11.

¹¹ Global Rehearing Exhibit 4 (Rehearing Rebuttal Testimony of Paul Walker) at page 6, lines 6-9.
See also Phase II Exhibit Global-2 (Phase II Direct Testimony of Paul Walker), at Attachment 2,
page 3.

1 The SIB mechanism will allow utilities to finance these needed plant investments,
2 will provide for more gradual rate increases, subject to detailed safeguards approved by the
3 Commission. The SIB mechanism is just, reasonable, and in the public interest,¹² and the
4 Commission should not overturn its approval of the mechanism.

5 **IV. THE SIB FULLY COMPLIES WITH THE ARIZONA CONSTITUTION.**

6 **A. The SIB is a Lawful Adjustor Mechanism.**

7 As the Commission explained recently in Arizona Water's Northern Group case,
8 "RUCO has not brought forth any new information or put forth any new arguments in this
9 case to cause the Commission to reverse its decision on the SIB mechanism. The
10 Commission has determined that the SIB Agreement and the SIB mechanism created
11 thereby, as modified with the additional protections adopted in Decision No. 73938, are
12 consistent with the Commission's legal authority and will result in rates and charges that
13 are just and reasonable."¹³ The same is true in this rehearing. RUCO has not raised any
14 new arguments, and RUCO's old arguments should be rejected for the same reasons the
15 Commission rejected them in the past.

16 RUCO's legal objection is based on a single phrase in *Scates* that refers to
17 "narrowly defined, operating expenses."¹⁴ *Scates* did not involve a plant-based adjustor
18 mechanism, and therefore this stray remark is *dicta*, not controlling precedent. In *Scates*,
19 the Court of Appeals found the Commission acted unlawfully when it changed rates
20 "without any examination of the costs of the utility apart from the affected services,
21 without any determination of the utility's investment, and without any inquiry into the
22 effect of this substantial increase upon [the utility's]...rate of return on that investment."¹⁵
23 The court's *holding* was that the Commission "is required by our Constitution to ascertain

24 _____
25 ¹² For a more detailed explanation of why the SIB mechanism is in the public interest, please see
26 the Joint Brief of Liberty and Global Water, filed on April 29, 2013, at pages 3 to 7. Global Water
27 and Liberty Water incorporate their earlier Joint Brief into this brief by reference, as allowed by
the Administrative Law Judge. (See Rehearing Tr. at 270:1-6).

¹³ Decision No. 74081 (September 23, 2013) at 59:27 to 60:5.

¹⁴ RUCO rehearing brief at 6:4, citing *Scates v. Arizona Corp. Comm'n*, 118 Ariz. 531, 535, 578
P.2d 612, 616 (Ct. App. 1978).

¹⁵ *Scates*, 118 Ariz. at 533, 578 P.2d at 614.

1 the value of a utility's property within the State in setting just and reasonable rates.”¹⁶
2 Nothing about the SIB mechanism violates this holding.

3 Moreover, in sharp contrast to the facts in *Scates*, each SIB surcharge order will
4 have all the things that were missing in *Scates*. Each SIB filing must include “an analysis
5 of the impact of the SIB Plant on the fair value rate base, revenue, and the fair value rate of
6 return...”¹⁷ Moreover, each SIB filing must include the following data:¹⁸

- 7 (1) the most current balance sheet at the time of the filing;
- 8 (2) the most current income statement;
- 9 (3) an earnings test schedule;
- 10 (4) a rate review schedule (including the incremental and pro forma effects of the
11 proposed increase);
- 12 (5) a revenue-requirement calculation;
- 13 (6) a surcharge calculation;
- 14 (7) an adjusted rate base schedule;
- 15 (8) a CWIP ledger (for each project showing accumulation of charges by month
and paid vendor invoices);
- 16 (9) calculation of the three factor formula (as requested by Staff); and
- 17 (10) a typical bill analysis under present and proposed rates.

18 This extensive information includes all of the information that the *Scates* court criticized
19 the Commission for not considering. The SIB is a far cry from the concerns found in the
20 *Scates* decision.

21 There is no textual basis in the Arizona Constitution for a supposed prohibition of
22 plant costs in adjustor mechanisms. The Arizona Constitution requires the Commission to
23 establish “just and reasonable” rates,¹⁹ and requires that the Commission find and use the
24 fair value of the utility’s property.²⁰ The SIB mechanism will comply with these express
25 constitutional requirements. As long ago as 1979, in *Arizona Community Action
26 Association v. Arizona Public Service Company* the Arizona Supreme Court recognized

26 ¹⁶ *Id.* at 534, 578 P.2d at 615.

27 ¹⁷ Decision No. 73938 (June 27, 2013) at 50:15-17 (citation and quotation marks omitted).

¹⁸ *Id.* at 50-51.

¹⁹ Arizona Constitution, Article 15, Section 3.

²⁰ Arizona Constitution, Article 15, Section 14.

1 that step increases based on post-test year construction work in progress would be lawful.²¹

2 Further, RUCO's operating-expenses-only argument is inconsistent with numerous
3 adjustor mechanisms approved by the Commission that included plant costs – many done
4 with RUCO's agreement and active support. Mr. Walker provided detailed testimony
5 regarding the history of APS's Renewable Energy Surcharge (RES), Energy
6 Efficiency/Demand Side Management (EE/DSM) and Environmental Improvement
7 Surcharge (EIS) mechanisms.²² He explained how each of these mechanisms are adjustor
8 mechanisms, and how they include (or have in the past included) recovery of capital costs
9 for utility plant investment, just like the SIB mechanism.²³ He also explained how
10 RUCO's position in this case is inconsistent with its prior agreement to the RES, EE/DSM
11 and EIS adjustor mechanisms for APS. RUCO witness Mr. Mease admitted that RUCO
12 did not rebut Mr. Walker's testimony about the RES, EE/DSM and EIS mechanisms.²⁴
13 Mr. Mease also confirmed that these three mechanisms all allow for recovery of plant
14 costs.²⁵

15 The SIB mechanism is also very similar to the Arsenic Cost Recovery Mechanism
16 (ACRM) approved by the Commission in many past cases.²⁶ As the Commission noted in
17 its Phase II ruling: "From a practical perspective, the SIB would operate very similarly to
18 the existing ACRM, with which the Commission now has extensive experience, and which
19

20 ²¹ *Arizona Community Action Assoc. v. Arizona Public Service Co.*, 123 Ariz. 228, 231, 599 P.2d
21 184 (1979) (noting "The adjustments ordered by the Commission in adding the CWIP to that
22 determination of fair value were adequate to maintain a reasonable compliance with the
23 constitutional requirements if used only for a limited period of time."). *See also* Decision No.
24 73938 (June 27, 2013) at 42 to 43) (discussing *Arizona Community Action* in the context of a SIB).

²² Exhibit Global-Rehearing-3 (Rehearing Direct Testimony of Paul Walker) at pages 3-7.

²³ *Id.*

²⁴ Rehearing Tr. at 22:8-12.

²⁵ *Id.* at 22:16 to 23:6.

²⁶ For past decisions approving ACRMs, *see e.g.* Decision No. 66400 (October 14, 2003)(AWC Northern Group)(extensively discussing legality of ACRM); Decision No. 66849 (March 19, 2004)(AWC Eastern Group); Decision No. 68310 (Nov. 14, 2005)(approving ACRM for certain districts of Arizona-American Water Co.); Decision No. 71236 (August 6, 2009)(Appaloosa Water Co.); Decision No. 71410 (December 8, 2009)(extending ACRM for Arizona-American Water Company to additional district).

1 the Commission has determined to be lawful.”²⁷ Even RUCO witness Mease concedes
2 that the ACRM is an adjustor mechanism.²⁸

3 In sum, the SIB mechanism has been established as part of a general rate case with
4 full consideration of rate base and expenses. The SIB is designed to comply with
5 Arizona’s fair value requirement and the fundamental protections and safeguards
6 embedded and included in the SIB and the Settlement Agreement ensure compliance with
7 all Arizona legal ratemaking requirements, including *Scates*. In fact, the Commission
8 stated in the Phase II Decision that “[w]ith these provisions and protections, as well as
9 other discussed herein, we find that the Settlement Agreement represents a reasonable
10 compromise of contested issues, is in accord with Arizona law, and, as a whole, is
11 consistent with the public interest.”²⁹ Those protections include:

- 12 ● Commission and Commission Staff review and pre-approval of SIB eligible
13 projects;³⁰
- 14 ● SIB Project eligibility criteria limiting the SIB to projects that are “necessary
15 to provide proper, adequate and reliable service to existing customers; are not
16 designed to serve or promote customer growth; and will not comprise an
17 upgrade or expansion of existing plant...”,³¹
- 18 ● SIB projects are also limited to six specific categories of distribution system
19 plant;³²
- 20 ● Calculation of the SIB surcharge based on the rate of return, depreciation rates
21 and tax multiplier approved in AWC’s general rate case;³³
- 22 ● Surcharges take effect only upon a Commission order after full review of the
23 surcharge request;³⁴
- 24 ● Company limited to making one surcharge request per year;³⁵
- 25 ● A fair value finding in each surcharge order;
- 26 ● A 5% efficiency credit;³⁶

27 Decision No. 73938 (June 27, 2013) at 50:20-22.

28 Rehearing Tr. at 24:19 to 25:7.

29 *Id.* at 54.

30 Decision No. 73938 (June 27, 2013), Attachment A (Settlement Agreement) at Section 6.

31 Decision No. 73938 (June 27, 2013), Attachment A (Settlement Agreement) at page 4, § 2.1.

32 Decision No. 73938 (June 27, 2013), Attachment A (Settlement Agreement) at page 7-8, § 6.4.

33 Decision No. 73938 (June 27, 2013), Attachment A (Settlement Agreement) at page 5, § 3.2

34 Decision No. 73938 (June 27, 2013), Attachment A (Settlement Agreement) at page 10, § 9.2

35 Decision No. 73938 (June 27, 2013), Attachment A (Settlement Agreement) at page 5, § 4.4

- 1 • an annual surcharge cap of 5% of the revenue requirement in Decision No. 73736;³⁷
- 2
- 3 • an earnings test;³⁸ and
- 4 • Commission authority to suspend, terminate or modify the SIB mechanism.³⁹

5 The fact that the SIB is part of the AWC's rate case, including consideration of all
6 ratemaking elements and standards used in a general rate case, coupled with the
7 protections embedded in the SIB, demonstrates that the SIB complies with Arizona law.⁴⁰
8 Updated information about expenses and rate base will be provided with each application
9 for a SIB surcharge, and each SIB surcharge order will make an express fair value finding.
10 And the SIB is lawful, just like the ACRM, RES, EE/DSM and EIS adjustor mechanisms,
11 all of which included plant costs, and none of which was limited to operating expenses.

12 **B. In the Alternative, the SIB Mechanism Is a Lawful Rate Surcharge.**

13 In *RUCO v. ACC*, the Court of Appeals recognized several methods for altering
14 rates outside of a rate case. The Court explained: "We hold that in the absence of an
15 emergency or automatic adjustment clause, the Arizona Corporation Commission cannot
16 impose a rate surcharge based on a specific cost increase without first determining a
17 utility's fair value rate base."⁴¹ Thus, there three separate methods for modifying rates
18 outside of a rate case: (1) as part of an adjustor mechanism approved in a rate case; (2) as
19 part of an emergency; or (3) or as a rate surcharge with a fair value finding.

20 As explained above, the SIB mechanism meets all requirements for an adjustor
21 mechanism, including being approved as part of a general rate case. But in the alternative,
22 even if the SIB mechanism for some reason is not considered an adjustor mechanism, it is
23 a valid surcharge mechanism under *RUCO v. ACC* because each surcharge order will
24 include a fair value finding.

25 ³⁶ Decision No. 73938 (June 27, 2013), Attachment A (Settlement Agreement) at page 5, § 3.3.

26 ³⁷ Decision No. 73938 (June 27, 2013), Attachment A (Settlement Agreement) at page 5, § 3.4.

27 ³⁸ Decision No. 73938 (June 27, 2013) at page 51.

27 ³⁹ Decision No. 73938 (June 27, 2013), Attachment A (Settlement Agreement) at page 10, § 10.1.

27 ⁴⁰ *Scates*, 118 Ariz. at 535, 578 P.2d at 616.

27 ⁴¹ *Residential Util. Consumer Office v. Arizona Corp. Comm'n*, 199 Ariz. 588, 589, 20 P.3d 1169, 1170 (Ct. App. 2001).

1 Here, it is undisputed that the SIB requires an evaluation and finding of fair value
2 before the Commission can approve the SIB. Paragraph 7.17 of the AWC Settlement
3 Agreement requires the utility to provide "SIB Schedule D ... showing an analysis of the
4 impact of the SIB Plant on the fair value rate base, revenue, and the fair value rate of return
5 as set forth in Decision No. 73736."⁴² As testified by Utilities Director Steve Olea,
6 paragraph 7.1.7 of the Settlement Agreement requires that SIB Schedule D include a
7 determination of fair value rate base and a "fair value rate of return."⁴³ Mr. Olea also
8 testified that SIB Schedule D "would support a finding of fair value" and that any order
9 approving a SIB would include a determination of fair value rate base.⁴⁴

10 As noted above, the Commission will have extensive financial information before it
11 when it reviews applications for SIB surcharges under the SIB mechanism. This extensive
12 information more than complies with *Scates* and *RUCO v. ACC*.

13 RUCO appears to argue that even this extensive updated information is insufficient.
14 To the extent RUCO argues that only a full Rule 103 rate case⁴⁵ will comply with the
15 Arizona Constitution, RUCO is mistaken. The Rule 103 filing requirements did not exist
16 at the time the Arizona Constitution was adopted, and their complexity would no doubt
17 have baffled the framers of the Arizona Constitution. While the Commission is certainly
18 empowered to require such information in cases it chooses, nothing in the Arizona
19 Constitution requires this specific information.

20 Indeed, the Commission has wide discretion in deciding what procedures to follow
21 or what information to require. As the Court of Appeals noted in *Phelps Dodge*, the
22 Commission has "discretion to adopt various approaches to fulfill its functions, as long as
23 the method complies with the constitutional mandate and is not arbitrary and
24 unreasonable."⁴⁶

25 _____
26 ⁴² Decision No. 73938 (June 27, 2013), Attachment A (Settlement Agreement) at page 9, ¶ 7.1.7.

27 ⁴³ Phase II Tr. at 332:21-333:7 (Olea).

⁴⁴ Phase II Tr. at 333:5-7 (Olea).

⁴⁵ A.A.C. R14-2-103.

⁴⁶ *Phelps Dodge Corp. v. Arizona Elec. Power Co-op., Inc.*, 207 Ariz. 95, 109, 83 P.3d 573, 587 (Ct. App. 2004)(citation and quotation marks omitted.)

1 Again, the fundamental requirements of the Arizona Constitution are that rates must
2 be just and reasonable, and the Commission must find and use fair value. As the Court of
3 Appeals stated in *Phelps Dodge*, the Commission is required to “use fair value to aid it in
4 discharging its duties, including setting rates, and... the Commission cannot ignore fair
5 value in setting rates.”⁴⁷ Here, the SIB mechanism requires a determination of the fair
6 value of the Company’s rate base at the time that the surcharges are proposed. Thus, even
7 assuming the SIB mechanism is not an adjustor mechanism, which it is, the SIB also
8 qualifies as a valid fair value-based surcharge as contemplated by *RUCO v. ACC*. Either
9 way, RUCO’s argument fails.

10 **V. CONCLUSION.**

11 In short, the SIB mechanism is just and reasonable because it will protect customers
12 from large, sudden rate increases caused by the large amount of plant investment needed
13 by many water and wastewater systems in Arizona. The SIB provides a more gradual
14 method. The SIB mechanism meets all legal requirements to be considered an adjustor
15 mechanism: it is established in a full, general rate case and is tied to specific costs. The
16 SIB mechanism surcharges will also be determined based on full fair value findings, and
17 thus, qualify as a fair value based rate surcharge in compliance with the Arizona
18 Constitution. RUCO has not met its burden of proof, and Liberty Utilities and Global
19 Water request that the Commission issue an order finding that the SIB is lawful and
20 appropriate and affirming Decision No. 73938 in full.

21
22
23
24
25
26
27

⁴⁷ *Id.* at 105, 83 P.3d at 583.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

DATED this 17th day of January, 2014.

ROSHKA DEWULF & PATTEN, PLC

By 
Timothy J. Sabo
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004
Attorneys for the Global Utilities

FENNEMORE CRAIG, P.C.

By 
Jay L. Shapiro
Todd C. Wiley
3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012
*Attorneys for Rio Rico Utilities, Inc.
d/b/a Liberty Water*

1 Original and 13 copies of the foregoing
2 filed this 17TH day of January 2014 with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, AZ 85007

7 Copies of the foregoing hand-delivered/mailed
8 this 17th day of January 2014, to:

9 Lyn Farmer,
10 Chief Administrative Law Judge
11 Hearing Division
12 Arizona Corporation Commission
13 1200 West Washington
14 Phoenix, AZ 85007

15 Bridget Humphrey, Esq.
16 Wesley C. Van Cleve, Esq.
17 Legal Division
18 Arizona Corporation Commission
19 1200 West Washington
20 Phoenix, AZ 85007

21 Steven M. Olea
22 Director, Utilities Division
23 Arizona Corporation Commission
24 1200 West Washington
25 Phoenix, AZ 85007

26 COPY sent via U.S. mail
27 this 17th day of January 2014 to:

Daniel W. Pozefsky, Esq.
Residential Utility Consumer Office
1110 W. Washington Street, Suite 220
Phoenix, AZ 85007

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

Steven A. Hirsch, Esq.
Stanley B. Lutz, Esq.
Bryan Cave, LLP
Two North Central Avenue, Suite 2200
Phoenix, AZ 85004-4406

Christopher D. Krygier
Liberty Utilities
12725 West Indian School Road, Suite D101
Avondale, AZ 85392

EPCOR Water Arizona, Inc.
2355 W. Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

Michael M. Grant, Esq.
Gallagher & Kennedy, PA
2575 E. Camelback Road
Phoenix, AZ 85016-9255

Gary Yaquinto
Arizona Investment Council
2100 N. Central Avenue, Suite 210
Phoenix, AZ 85004

Ron Fleming
Global Water
21410 N. 19th Avenue, Suite 201
Phoenix, AZ 85027

Garry D. Hays
Law Offices of Garry D. Hays, P.C.
1702 E. Highland Ave, Suite 204
Phoenix, AZ 85016

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Kathie Wyatt
1940 N. Monterey Drive
Apache Junction, AZ 85120

Greg Patterson
Water Utility Association of Arizona
916 W. Adams, Suite 3
Phoenix, AZ 85007

By W. M. McCreesh

8821815.1