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JAN 27 2014

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF)
PRESIDIO TRAILS DEVELOPMENT, LLC)
FOR DELETION OF ITS PROJECT FROM)
THE CERTIFICATE OF CONVENIENCE AND)
NECESSITY HELD BY HALCYON ACRES)
ANNEX NO. 2 WATER COMPANY, INC.)

DOCKET NO. W-02312A-13-0326

STATUS UPDATE AND
MOTION FOR JOINDER OF
HALCYON AS CO-APPLICANT

As required by the procedural order filed on October 29, 2013, Presidio Trails Development, LLC (“Presidio”) and Halcyon Acres Annex No. 2 Water Company, Inc. (“Halcyon”) file this Status Update on recent developments in the above-captioned matter. Presidio and Halcyon are pleased to report that, through direct negotiation, Presidio and Halcyon (together, the “Parties”) have reached an agreement to resolve this matter. As part of that agreement, the Parties request that Halcyon be joined with Presidio as a co-applicant in this matter. Further, the Parties jointly request that the stay imposed by the October 29, 2013 Procedural Order be lifted so that the application can be processed by the Arizona Corporation Commission (“Commission”).

I. Background

On September 20, 2013, Presidio filed with the Commission an application to have Presidio’s apartment project deleted from Halcyon’s Certificate of Convenience and

1 Necessity (“CC&N”) (“Application”). Presidio claimed that Halcyon was unable serve the
2 project and noted that the City of Tucson’s water utility, Tucson Water, is willing to
3 provide water service if the project is deleted from Halcyon’s CC&N.

4 The Commission’s Utilities Division (“Staff”) submitted a Notice of Case Status on
5 October 10, 2013 stating that Presidio’s Application was in the nature of a complaint
6 against Halcyon and that Presidio should first avail itself of the Commission’s informal
7 complaint process. If a resolution was not achieved through the information complaint
8 process, Staff suggested that the Commission process the Application as a formal
9 complaint.

10 On October 15, 2013, Presidio filed a Response to Staff’s Notice of Case Status.
11 Presidio disagreed with Staff’s positions but consented to having the Application treated as
12 a complaint. Presidio also suggested that this matter be stayed until the informal complaint
13 process was completed.

14 On October 22, 2013, Halcyon filed a Response to Presidio Trails Development,
15 LLC’s October 15, 2013 filing, stating that Halcyon did not object to a stay of the
16 proceedings until the informal complaint process was completed. Halcyon claimed that it is
17 willing and able to provide water service to Presidio, subject to the necessary governmental
18 approvals.

19 A procedural order by Administrative Law Judge (“ALJ”) Belinda A. Martin was
20 filed in the docket on October 29, 2013. This order issued a stay in the proceedings in this
21 docket “pending the outcome of the informal complaint process” and ordered Presidio to
22 file a Status Update with Docket Control upon completion of its efforts to resolve this
23 matter informally.

24 **II. Status Update**

25 Following ALJ Martin’s October 29, 2013 order, Presidio and Halycon began direct
26 negotiations in an attempt to resolve this matter to the satisfaction of both Parties. The

1 Parties reached an agreement in early December and the agreement was formalized on
2 December 23, 2013. A key element of the settlement is that Halcyon join this docket as a
3 co-applicant and support Presidio's request to have its property deleted from Halcyon's
4 CC&N. The settlement also provides that if the Commission denies the deletion request,
5 either Party may terminate the settlement agreement and pursue its other remedies at law in
6 relation to the issues presented in the Application.

7 **III. Motion for Joinder of Halcyon as Co-Applicant**

8 The Parties move for the joinder of Halcyon as a co-applicant in this proceeding. In
9 support of this motion, Halcyon joins in Presidio's request for deletion and provides the
10 following additional information:

11 Halcyon is an Arizona corporation. Its business address is 8715 E. 20th Street,
12 Tucson, AZ 85710; and its phone number is (520) 298-2704. The name, address and
13 telephone number of Halcyon's attorney is included in the signature block at the end of this
14 Status Update and Motion. Halcyon's management contact for the Application is Walter G.
15 Wilcox, 8715 E. 20th Street, Tucson, AZ 85710; (520) 298-2704.

16 In the event that the Commission grants this motion, the Parties also request that the
17 stay in these proceedings be lifted and that Staff resume its evaluation of the Application
18 for deletion.

19 **IV. Prayer for Relief**

20 The Parties respectfully request:

- 21 1. That Halcyon be joined as a co-applicant in this matter.
- 22 2. That this matter be processed as a request by a utility, Halcyon, for deletion
23 of a portion of its CC&N.
- 24 3. That the matter be processed expeditiously by Staff and the Commission.
- 25 4. That the real property on which Presidio's project is planned be deleted from
26 the service area of Halcyon's CC&N.

1 RESPECTFULLY SUBMITTED this 27th day of January, 2014.

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3
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18 Attorneys for Presidio Trails Development, LLC

19 ORIGINAL and thirteen (13) copies
20 of the foregoing filed this 27th day
21 of January, 2014, with:

22 The Arizona Corporation Commission
23 Utilities Division – Docket Control
24 1200 W. Washington Street
25 Phoenix, Arizona 85007

26 Copy of the foregoing hand-delivered
this 27th day of January, 2014, to:

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