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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

BOB STUMP - Chairman
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2014 MAR 14 P 2:45

Arizona Corporation Commission

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AZ CORP COMMISSION
DOCKET CONTROL

MAR 14 2014

DOCKETED BY [Signature]

DOCKET NO. WS-02987A-13-0477

IN THE MATTER OF THE APPLICATION OF
JOHNSON UTILITIES, LLC, DOING
BUSINESS AS JOHNSON UTILITIES
COMPANY, FOR APPROVAL OF SALE AND
TRANSFER OF ASSETS AND CONDITIONAL
CANCELLATION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY.

ORIGINAL

PROCEDURAL ORDER
(Sets Hearing and Grants
Intervention)

BY THE COMMISSION:

On December 31, 2013, Johnson Utilities, LLC, dba Johnson Utilities Company ("Johnson Utilities" or "Company") filed with the Arizona Corporation Commission ("Commission") the above-captioned application. The application requests approval of the sale and transfer of all of its utility assets and operations in Pinal County, Arizona to the Town of Florence ("Town"), and the cancellation and extinguishment of its Certificate of Convenience and Necessity ("CC&N").

By Procedural Order issued February 14, 2014, the February 4, 2014 Motion to Intervene filed by Swing First Golf LLC ("Swing First") was granted.

On March 4, 2014, the Commission's Utilities Division ("Staff") filed a Letter of Sufficiency indicating that the application and information provided to Staff is sufficient for Staff to begin its substantive review of the application. Staff stated in its Letter of Sufficiency that Johnson Utilities should provide notice of the application to all affected parties.

On March 4, 2014, a Procedural Order was issued setting a procedural conference to be held on March 13, 2014, for the purpose of allowing the parties to discuss appropriate notice and an appropriate procedural schedule for the hearing in this matter.

On March 10, 2014, Residential Utility Consumer Office ("RUCO") filed an Application to Intervene.

...

1 On March 12, 2014, Johnson Utilities filed a Motion to Continue Procedural Conference. The
2 Company stated therein that representatives of the Town would like to attend but had a scheduling
3 conflict.

4 On March 13, 2014, a letter from Commissioner Pierce was filed in this docket indicating his
5 belief that the Commission could review the application in this docket without a hearing. The letter
6 stated that Commissioner Pierce had met with representatives of the Town, and the Town's manager
7 had expressed a desire to complete the proposed transaction within the Town's current fiscal year,
8 which ends June 30, 2014.

9 On March 13, 2014, the procedural conference convened as scheduled. Appearances were
10 entered through counsel for Johnson Utilities, Swing First, RUCO, and Staff. There was no objection
11 to RUCO's intervention request, which was granted.

12 Counsel for Johnson Utilities stated that representatives from the Town had indicated to the
13 Company that the Town intends to request intervention. The Company requested that no hearing be
14 held on the application. The Company stated that notice of the application had been provided in the
15 Company newsletter.

16 Swing First stated that because no agreement has yet been reached between the Company and
17 the Town, no specific factual information regarding the proposed sale is available. Swing First
18 expressed concerned about its rights, and the rights of other Company customers who are also located
19 outside the Town limits, regarding the Town's ratesetting process, should the sale be approved.
20 Swing First stated that it has commenced discovery regarding the proposed transaction. Swing First
21 requested that a hearing be held.

22 RUCO stated that it would not oppose a hearing on the application.

23 Staff stated that while it had agreed with Johnson Utilities that no hearing was necessary, that
24 if an intervenor were to request a hearing, Staff would not recommend that any party's due process
25 rights be limited.

26 After discussion, the parties were informed that a hearing date would be set so that public
27 notice could be provided as soon as possible, and were provided an opportunity to confer off the
28 record regarding an appropriate hearing date and procedural schedule. Following their discussions,

1 the parties stated that they had agreed on hearing dates of May 19 and 20, 2014. The parties also
2 communicated their agreed-upon associated deadlines for intervention and the filing of testimony.
3 The parties were informed that their proposed dates are reasonable and appropriate. A hearing was
4 set to commence on May 19, 2014.

5 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
6 commence on **May 19, 2014, at 10:00 a.m.**, or as soon thereafter as is practical, in Hearing Room
7 No. 1 at the Commission's offices, 1200 West Washington, Phoenix, Arizona 85007, and shall
8 continue, if necessary, at **9:30 a.m. on May 20, 2014.**

9 IT IS FURTHER ORDERED that a **pre-hearing conference** in the above-captioned matter
10 shall commence on **May 16, 2014, at 2:00 p.m.**, or as soon thereafter as is practical, in Hearing
11 Room No. 1 at the Commission's offices, 1200 West Washington, Phoenix, Arizona 85007.

12 IT IS FURTHER ORDERED that **direct testimony and associated exhibits** to be presented
13 at hearing on behalf of **Johnson Utilities, LLC dba Johnson Utilities Company and the Town of**
14 **Florence¹** shall be reduced to writing and filed on or before **March 28, 2014.**

15 IT IS FURTHER ORDERED that **direct testimony and associated exhibits** to be presented
16 at hearing on behalf of **Staff and intervenors** shall be reduced to writing and filed on or before **April**
17 **25, 2014.**

18 IT IS FURTHER ORDERED that **rebuttal testimony and associated exhibits** to be
19 presented at hearing on behalf of **Johnson Utilities, LLC dba Johnson Utilities Company and the**
20 **Town of Florence** shall be reduced to writing and filed on or before **May 12, 2014.**

21 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m. on the date the**
22 **filing is due, unless otherwise indicated.**

23 IT IS FURTHER ORDERED that **any objections to prefiled testimony or exhibits shall be**
24 **made before or at the May 16, 2014** pre-hearing conference.

25 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
26 105, except that all motions to intervene must be filed on or before **April 15, 2014.**

27 _____
28 ¹ Because the parties' agreed-upon deadlines included filing deadlines for the Town, they are included here. The Town
has not yet requested intervention.

1 IT IS FURTHER ORDERED that any **substantive corrections, revisions, or supplements**
2 **to prefiled testimony shall be reduced to writing and filed no later than five calendar days**
3 **before the witness is scheduled to testify.**

4 IT IS FURTHER ORDERED that any motion filed in this matter, other than a motion to
5 intervene, that is not ruled upon by the Commission within 20 calendar days of the filing date of the
6 motion shall be deemed denied.

7 IT IS FURTHER ORDERED that any **response to a motion** shall be filed within **five**
8 **calendar days** of the filing date of the motion.

9 IT IS FURTHER ORDERED that any **reply related to a motion** shall be filed within **five**
10 **calendar days** of the filing date of the response to the motion.

11 IT IS FURTHER ORDERED that the **Johnson Utilities, LLC, dba Johnson Utilities**
12 **Company shall provide public notice** of the application and hearing in this matter, in the following
13 form and style, with the heading in no less than 12 point bold type and the body in no less than 10
14 point regular type:

15 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF JOHNSON**
16 **UTILITIES, LLC DOING BUSINESS AS JOHNSON UTILITIES COMPANY, FOR**
17 **APPROVAL OF SALE AND TRANSFER OF ASSETS AND CONDITIONAL**
18 **CANCELLATION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY.**
19 **DOCKET NO. WS-02987A-13-0477**

20 **Summary**

21 On December 31, 2013, Johnson Utilities, LLC, dba Johnson Utilities Company
22 (“Johnson Utilities” or “Company”) filed with the Arizona Corporation Commission
23 (“Commission”) an application requesting Commission approval of the sale and
24 transfer of all the Company’s utility assets and operations in Pinal County, Arizona,
25 to the Town of Florence, an Arizona municipality, and the cancellation and
26 extinguishment of its Certificates of Convenience and Necessity.

27 If the application is granted, Johnson Utilities will no longer be required to provide
28 water and wastewater utility service to the public under rates and charges and terms
and conditions approved by the Commission.

**If the application is granted, the Town of Florence will become the provider of
water and wastewater utility service to current customers of Johnson Utilities
who are citizens of the Town of Florence, and also to customers who are not
citizens of the Town of Florence, but who are located in the current Johnson
Utilities service territory that is located outside the Town of Florence.**

How You Can View or Obtain a Copy of the Application

Copies of the application are available from Johnson Utilities [Johnson Utilities
insert how, where, and when available in its service territory] and at the

1 Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for
 2 public inspection during regular business hours, and on the Internet via the
 Commission's website (www.azcc.gov) using the e-Docket function.

3 **Arizona Corporation Commission Public Hearing Information**

4 The Commission will hold a hearing on this matter commencing on **May 19, 2014, at**
 5 **10:00 a.m.** at the Commission's offices, 1200 West Washington Street, Phoenix,
 Arizona, Hearing Room No. 2. Public comments will be taken on the first day of the
 hearing.

6 Written public comments may be submitted by mailing a letter referencing **Docket No.**
 7 **WS-02987A-13-0477** to Arizona Corporation Commission, Consumer Services
 Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on
 8 the Commission's website (www.azcc.gov) using the "Submit a Comment on an
 Issue" button. If you require assistance, you may contact the Consumer Services
 Section at 1-800-222-7000.

9 **About Intervention**

10 The law provides for an open public hearing at which, under appropriate
 11 circumstances, interested parties may intervene. Intervention shall be permitted to any
 person entitled by law to intervene and having a direct and substantial interest in the
 12 matter. Anyone who wishes to intervene must file an original and 13 copies of a
 written motion to intervene with the Commission no later than **April 15, 2014**, and
 send a copy of the motion to Johnson Utilities or its counsel and to all parties of
 13 record. Your motion to intervene must contain the following:

- 14 1. The name, address, and telephone number of the proposed intervenor and of
 any party upon whom service of documents is to be made if different from
 15 that of the intervenor.
- 16 2. A short statement of the proposed intervenor's interest in the proceeding (e.g.,
 a customer of the Company, a member or shareholder of the Company, etc.);
 17 and
- 18 3. A statement certifying that a copy of the motion to intervene has been mailed
 to the Company or its counsel and to all parties of record in the case.
- 19 4. If you are not represented by an attorney who is an active member of the
 20 Arizona State Bar, and are not representing yourself as an individual,
 information and any appropriate documentation demonstrating compliance
 21 with Arizona Supreme Court Rules 31, 38, and 42, as applicable.

22 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
 23 that all motions to intervene must be filed on or before **April 15, 2014**. The granting
 of intervention, among other things, entitles a party to present sworn evidence at
 24 hearing and to cross-examine other witnesses. However, failure to intervene will not
preclude any interested person or entity from appearing at the hearing and providing
public comment on the application or from filing written comments in the record of
 25 the case. For information about requesting intervention, visit the Commission's
 website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.

26 **ADA/Equal Access Information**

27 The Commission does not discriminate on the basis of disability in admission to its
 public meetings. Persons with a disability may request a reasonable accommodation
 28 such as a sign language interpreter, as well as request this document in an alternative
 format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail

1 SAbernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as
early as possible to allow time to arrange the accommodation.

2 IT IS FURTHER ORDERED that Johnson Utilities, LLC dba Johnson Utilities Company
3 shall **publish** the above notice in a newspaper of general circulation within its service territory **on or**
4 **before March 24, 2014**, and shall mail to each of its customers a copy of this notice by first-class
5 U.S. Mail, with **mailing to begin as soon as possible and to be completed on or before March 26,**
6 **2014.**

7 IT IS FURTHER ORDERED that Johnson Utilities, LLC dba Johnson Utilities Company
8 shall file certifications of mailing and publication of the above notice on or before **March 28, 2014.**

9 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and
10 publication, notwithstanding the failure of an individual customer to read or receive the notice.

11 IT IS FURTHER ORDERED the Residential Utility Consumer Office is hereby granted
12 intervention.

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

16 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
17 31 and 38 and A.R.S. §40-243 with respect to practice of law and admission *pro hac vice*.

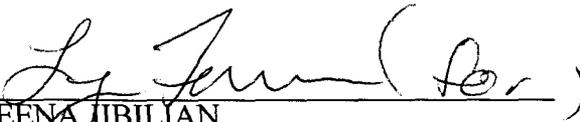
18 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
19 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona
20 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings
21 and procedural conferences, as well as all Open Meetings for which the matter is scheduled for
22 discussion unless counsel has previously been granted permission to withdraw by the Administrative
23 Law Judge or the Commission.

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

26 ...
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 DATED this 11 day of March, 2014.

5
6
7 
8 TEENA JIBILIAN
ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered
10 this 14 day of March, 2014 to:

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20
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