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BEFORE THE ARIZONA CORPORATION

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COMMISSIONERS

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GARY PIERCE
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2014 APR 21 P 12:30

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

APR 21 2014

DOCKETED BY

DOCKET NO. WS-02987A-13-0477

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

ORIGINAL

PROCEDURAL ORDER
(Grants Interventions)

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 the Company's 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").

Intervention has been granted to Swing First Golf LLC ("Swing First"), the Residential Utility Consumer Office ("RUCO"), Pulte Home Corporation, and the Town.

On March 4, 2014, the Commission's Utilities Division ("Staff") filed a Letter of Sufficiency indicating that the application and information provided to Staff was sufficient for Staff to begin its substantive review of the application.

On March 14, 2014, following a procedural conference held on March 13, 2014, a Procedural Order was issued setting a hearing date and associated procedural deadlines agreed to by the parties.

On March 18, 2014, a Procedural Order was issued changing the date of the pre-hearing conference set in the March 14, 2014, Procedural Order.

On March 24, 2014, Commissioner Bitter Smith filed a letter requesting responses from the parties by April 3, 2014.

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1 On March 28, 2014, Johnson Utilities filed an Affidavit of Mailing Public Notice and an
2 Affidavit of Publication.

3 On March 28, 2014, Johnson Utilities filed Direct Testimony of its witness Daniel Hodges.

4 On April 2, 2014, the Town filed an Application for Leave to Intervene.

5 On April 3, 2014, responses to Commissioner Bitter Smith's March 24, 2014 letter were filed
6 by Johnson Utilities, RUCO and Staff.

7 On April 3, 2014, the Town filed a motion requesting an extension of time to April 15, 2014
8 for the Town to file Direct Testimony.

9 On April 3, 2014, Swing First filed a Motion to Suspend Procedural Schedule and Continue
10 Hearing, requesting that the procedural schedule in this matter be suspended indefinitely until the
11 Town has filed written Direct Testimony and has provided the Commission and all parties a copy of
12 an asset purchase agreement.¹

13 On April 4, 2014, a Procedural Order was issued granting intervention to the Town. The
14 Procedural Order also modified the procedural schedule to allow extra time for the Town to file
15 Direct Testimony, established shortened discovery response times, and provided an extension of time
16 for Staff and intervenors to file their Direct Testimony in response to the Company's and the Town's
17 testimony. The Procedural Order directed that the Town's Direct Testimony include as an exhibit a
18 fully executed asset purchase agreement that specifies the terms of the proposed asset purchase.

19 On April 4, 2014, RUCO filed a response opposing Swing First's Motion to Suspend
20 Procedural Schedule and Continue Hearing.

21 On April 9, 2014, a Staff memorandum was docketed that includes copies of maps of Johnson
22 Utilities' service territory.

23 On April 8, 2014, three customer comments in opposition to the application were docketed.

24 On April 9, 2014, the Town filed the Direct Testimony of its witness Charles A. Montoya,
25 which included as an exhibit the same February 2014 draft asset purchase agreement as that attached
26 to the Direct Testimony of the Company's witness Daniel Hodges.

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28 ¹ It must be presumed that by "asset purchase agreement" Swing First was referring to a fully executed asset purchase agreement. A draft asset purchase agreement was attached to the March 28, 2014 pre-filed Direct Testimony of Johnson Utilities' witness Daniel Hodges.

1 On April 10, 2014, the Town filed a Response opposing Swing First's Motion to Suspend
2 Procedural Schedule and Continue Hearing. Therein, in regard to the direction to file an executed
3 asset purchase agreement by April 15, 2014, the Town states: "[u]nfortunately, the complexity of the
4 undertaking, the requirements of the Open Meeting Law, as well as the fact that voter authorization
5 for the proposed acquisition will not be obtained, if at all, until the May 20, 2014 election results are
6 known, makes this unlikely."

7 Also on April 10, 2014, the Town filed a response to Commissioner Bitter Smith's March 24,
8 2014 letter.

9 On April 11, 2014, an intervention request was jointly filed by Karen Christian, Todd J.
10 Hubbard, Alden L. Weight, and Steve Pratt.²

11 On April 14, 2014, San Tan Heights Homeowners Association ("San Tan HOA") filed a
12 Motion to Intervene.

13 On April 15, 2014, Johnson Utilities filed a response to the joint intervention requests of
14 Karen Christian, Todd J. Hubbard, Alden L. Weight, and Steve Pratt. Johnson Utilities requests that
15 intervention be denied, and that if intervention is granted, the Commission declare the individual
16 intervenors a single class of parties pursuant to A.A.C. R14-3-104(C), and order them to identify one
17 person who will represent the class at the hearing.

18 On April 16, 2014, RUCO filed a response in favor of the joint intervention requests of Karen
19 Christian, Todd J. Hubbard, Alden L. Weight, and Steve Pratt.

20 On April 17, 2014, Karen Christian, Todd J. Hubbard, Alden L. Weight, and Steve Pratt
21 jointly filed a reply to Johnson Utilities' response to their intervention requests.

22 There has been no opposition filed to the Motion to Intervene filed by the San Tan HOA, and
23 it should be granted intervention.

24 Karen Christian, Todd J. Hubbard, Alden L. Weight, and Steve Pratt are individual Johnson
25 Utilities ratepayers who will be directly and substantially affected by the outcome of this proceeding,
26 and they should each therefore be granted intervention. The substantive issues that appear in all the

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28 ² The April 11, 2014 document was signed by Karen Christian, Todd J. Hubbard, and Alden L. Weight. Steve Pratt's name, without a signature, was included on the April 11, 2014 document. On April 17, 2014, an addendum to the April 11, 2014 document was filed, which included a signature for Steve Pratt.

1 filings related to the individual ratepayers' intervention requests are more appropriately addressed in
2 pre-filed testimony and are not addressed here. The joint reply states that Karen Christian, Todd J.
3 Hubbard, Alden L. Weight, and Steve Pratt name Steve Pratt as their spokesman at the hearings.
4 Each intervenor should participate in all phases of this proceeding, including appearing at the
5 hearing, in order to insure that his or her individual interests are represented.

6 IT IS THEREFORE ORDERED that San Tan Heights Homeowners Association is hereby
7 granted intervention.

8 IT IS FURTHER ORDERED that Karen Christian, Todd J. Hubbard, Alden L. Weight, and
9 Steve Pratt are each granted intervention.

10 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
11 31 and 38 and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.

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

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

21 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
22 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
23 hearing.

24 DATED this 21st day of April, 2014.

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TEENA JIBILIAN
ADMINISTRATIVE LAW JUDGE

1 Copies of the foregoing mailed/delivered
2 this 21st day of April, 2014 to:

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