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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

2015 AUG 17 PM 1:08

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IN THE MATTER OF THE APPLICATION OF
CIRCLE CITY WATER COMPANY, L.L.C. FOR
APPROVAL TO DELETE PORTIONS OF ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY AND TO DELETE A
REQUIREMENT SET FORTH IN DECISION NO.
68246.

DOCKET NO. W-03510A-13-0397

PROCEDURAL ORDER
(Schedules a Hearing)

BY THE COMMISSION:

On November 19, 2013, Circle City Water Company, L.L.C. ("Circle City" or the "Company") filed with the Arizona Corporation Commission ("Commission") an application requesting approval to delete portions of its Certificate of Convenience and Necessity ("CC&N") and to delete the requirement (adopted in Decision No. 68246 (October 25, 2005)), for Circle City to demonstrate in its next rate case filing that its existing customers have been positively impacted by the addition of new water facilities necessary to serve the extension area. Circle City's application requests deletion of portions of its CC&N encompassing two developments known as Lake Pleasant 5000 and Warrick 160. Circle City's application states that the developments are not viable and that service in the CC&N area will not be necessary in the foreseeable future.

On December 11, 2013, Lake Pleasant 5000, L.L.C. ("LP5K") filed an Application for Leave to Intervene, stating that its development partners own the property Circle City wishes to delete and that LP5K had entered into a Water Facilities Agreement ("WFA") with Circle City under which LP5K has paid \$67,782.61 to Circle City.

On December 31, 2013, by Procedural Order, intervention was granted to LP5K.

On January 9, 2014, Rex G. Maughan and Ruth G. Maughan, Trustees of the Maughan Revocable Trust of 2007 ("MRT"), filed an Application for Leave to Intervene, stating that MRT is an owner of the development master plan known as Lake Pleasant 5000 and that MRT's development

1 partners entered into a WFA with Circle City under which MRT has paid \$67,782.61 to Circle City.

2 On March 12, 2014, by Procedural Order, intervention was granted to MRT.

3 Between March 12, 2014 and April 17, 2015, various filings were made in the docket.

4 On April 17, 2015, Circle City filed a Status Update and Request to Set Procedural
5 Conference. Circle City's filing stated that settlement negotiations with LP5K had ceased on April 6,
6 2015; that Circle City believed it was reasonable to conclude that LP5K had no interest in further
7 negotiations; and that Circle City had rejected LP5K's February 11, 2015, settlement offer.
8 Therefore, Circle City concluded that settlement negotiations had failed and requested that a
9 procedural conference be held to discuss a hearing date in this matter.

10 On April 28, 2015, by Procedural Order, a procedural conference was scheduled to be held on
11 May 8, 2015.

12 On May 5, 2015, Circle City filed a Request for Continuance of Procedural Conference,
13 stating that the owner of the Company had "a personal scheduling conflict" and proposing alternative
14 dates for the procedural conference to be held.

15 On May 6, 2015, Staff filed a Response to Motion to Continue Procedural Conference, stating
16 that Staff had no objection to the Company's request and clarifying Staff's available dates to attend a
17 future procedural conference.

18 On May 7, 2015, by Procedural Order, the May 8, 2015, procedural conference was
19 rescheduled to be held on June 8, 2015.

20 On May 27, 2015, LP5K filed a Request to Reschedule Procedural Conference Date, stating
21 that counsel for LP5K had a medically related scheduling conflict for the June 8, 2015, procedural
22 conference and requesting that the procedural conference be rescheduled for a future date.

23 On June 4, 2015, by Procedural Order, the procedural conference scheduled for June 8, 2015,
24 was continued to August 11, 2015.

25 On June 5, 2015, Staff filed a Request to Reschedule Procedural Conference.

26 On August 10, 2015, LP5K filed a Motion to Dismiss ("MTD"), requesting that the
27 Commission dismiss Circle City's application in this matter.

28 On August 11, 2015, a procedural conference was held as scheduled. LP5K, MRT, and Staff

1 appeared through counsel. Mr. Hardcastle appeared telephonically on behalf of the Company. The
2 parties provided an update on the settlement discussions and the parties agreed that settlement was
3 not possible at this time. The Company was directed to file a response to the MTD, and discussions
4 were held regarding the appropriate procedural schedule for this matter. The parties and Staff agreed
5 that this matter should be set for hearing.

6 IT IS THEREFORE ORDERED that a **hearing shall be held on October 16, 2015, at 10:00**
7 **a.m.**, or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street,
8 Hearing Room No. 1, Phoenix, AZ 85007.

9 IT IS FURTHER ORDERED that **Circle City shall file a Response to LP5K's Motion to**
10 **Dismiss on or before August 26, 2015.**

11 IT IS FURTHER ORDERED that the **direct testimony and associated exhibits** to be
12 presented at hearing by **Circle City and/or intervenors** shall be reduced to writing and filed **on or**
13 **before August 31, 2015.**

14 IT IS FURTHER ORDERED that **LP5K may file a Reply to Circle City's Response to the**
15 **Motion to Dismiss by September 9, 2015.**

16 IT IS FURTHER ORDERED that **any responsive testimony shall be provided at the**
17 **hearing in this matter.**

18 IT IS FURTHER ORDERED that **all parties are expected to appear personally at the**
19 **October 16, 2015, hearing.**

20 IT IS FURTHER ORDERED that the **timeclock** in this matter remains **suspended.**

21 IT IS FURTHER ORDERED that, as permitted under A.A.C. R14-3-107(B), each party to
22 this matter may opt to receive service of all filings in this docket, including all filings by parties and
23 all Procedural Orders and Recommended Opinions and Orders/Recommended Orders issued by the
24 Commission's Hearing Division, via email sent to an email address provided by the party rather than
25 via U.S. Mail. To exercise this option, a party shall:

- 26 1. Ensure that the party has a valid and active email address to which the party has
27 regular and reliable access ("designated email address");

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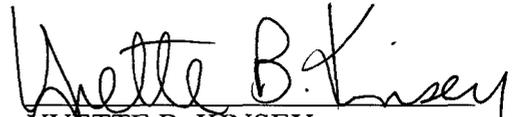
2. Complete a Consent to Email Service form, available on the Commission's website (www.azcc.gov);
3. File the original and 13 copies of the Consent to Email Service form with the Commission's Docket Control, also providing service to each party to the service list;
4. Send an email, containing the party's name and the docket number for this matter, to HearingDivisionServicebyEmail@azcc.gov from the designated email address, to allow the Hearing Division to verify the validity of the designated email address;
5. Understand and agree that service of a document on the party shall be complete upon the sending of an email containing the document to the designated email address, regardless of whether the party receives or reads the email containing the document; and
6. Understand and agree that the party will no longer receive service of filings in this matter through First Class U.S. Mail or any other form of hard-copy delivery, unless and until the party withdraws this consent through a filing made in this docket.

IT IS FURTHER ORDERED that a party's consent to email service shall not become effective until a Procedural Order is issued approving the use of email service for the party. The Procedural Order shall be issued only after the party has completed steps 1 through 4 above, and the Hearing Division has verified receipt of an email from the party's designated email address.

IT IS FURTHER ORDERED that a party's election to receive service of all filings in this matter via email does not change the requirement that all filings with the Commission's Docket Control must be made in hard copy and must include an original and 13 copies.

IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 17th day of August, 2015.


YVETTE B. KINSEY
ADMINISTRATIVE LAW JUDGE

1 Copies of the foregoing mailed/delivered
2 this 17th day of August, 2015 to:

3 Robert Hardcastle
4 P.O. Box 82218
5 Bakersfield, CA 93380-2218

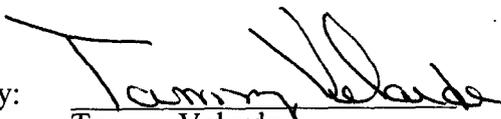
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15 Trust of 2007 and Rex G. Maughan
16 and Ruth G. Maughan.

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22 Thomas Broderick, Director
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32 Tammy Velarde
33 Assistant to Yvette B. Kinsey
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