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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS Arizona Corporation Commission

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

SEP 03 2015

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IN THE MATTER OF THE JOINT APPLICATION
OF WILLOW VALLEY WATER CO., INC. AND
EPCOR WATER ARIZONA, INC. FOR
APPROVAL OF THE SALE OF ASSETS AND
TRANSFER OF CERTIFICATE OF
CONVENIENCE AND NECESSITY.

DOCKET NO. W-01732A-15-0131
DOCKET NO. W-01303A-15-0131

PROCEDURAL ORDER

BY THE COMMISSION:

On April 22, 2015, Willow Valley Water Co., Inc. ("Willow Valley") and EPCOR Water Arizona, Inc. ("EPCOR") (collectively "Applicants") filed with the Arizona Corporation Commission ("Commission") an application for approval of the sale of Willow Valley's assets and the transfer of its Certificate of Convenience and Necessity ("CC&N") to EPCOR.

On May 5, 2015, the Residential Utility Consumer Office ("RUCO") filed an Application to Intervene.

By Procedural Order dated May 19, 2015, RUCO was granted intervention in this proceeding.

On June 1, 2015, EPCOR filed a Supplement to Application seeking approval of a surcharge mechanism to recover the portion of the purchase price in excess of Willow Valley's rate base ("amended application").

On July 27, 2015, RUCO filed a Request for a Procedural Order requesting that a procedural order be issued establishing dates for filing testimony and scheduling a hearing.

On July 30, 2015, the Commission's Utilities Division ("Staff") filed a Letter of Sufficiency indicating that the amended application meets the sufficiency requirements outlined in the Arizona Administrative Code ("A.A.C") R14-2-402. According to Staff, the Commission has 150 days from the date the amended application is deemed sufficient to conclude its substantive review ("timeclock").

1 On July 30, 2015, a Procedural Order was issued scheduling a procedural conference to
2 discuss scheduling and other procedural matters.

3 On August 10, 2015, the procedural conference was held as scheduled, with EPCOR, Willow
4 Valley, RUCO, and Staff appearing through counsel. At the procedural conference, a discussion was
5 had among the parties regarding the status of and manner in which to proceed with the amended
6 application. Due to the complexity of this case, it was determined reasonable and appropriate to
7 extend the timeclock for an additional 60 days to allow sufficient time for the parties to conclude
8 discovery and prepare their respective cases.¹

9 On August 14, 2015, a Procedural Order was issued directing EPCOR to confer with the other
10 parties and submit an agreed upon filing schedule no later than August 31, 2015.

11 On August 31, 2015, EPCOR filed a proposed schedule stating that the parties had agreed to
12 the following procedural dates and deadlines:

| | | |
|----|------------------------------|-------------------------------|
| 13 | Direct Testimony: | October 9, 2015 |
| 14 | Rebuttal Testimony: | October 23, 2015 |
| 15 | Surrebuttal Testimony: | November 6, 2015 |
| 16 | Evidentiary Hearing: | November 16, 19, and 20, 2015 |
| 17 | Closing Briefs (concurrent): | December 7, 2015 |

18 The proposed schedule is reasonable and should be adopted.

19 IT IS THEREFORE ORDERED that the **hearing** on the amended application shall
20 commence on **November 16, 2015, at 10:00 a.m.**, or as soon thereafter as is practical, at the
21 Commission's office, 1200 West Washington Street, Hearing Room No. 1, Phoenix, Arizona, and
22 shall continue, if necessary, **on November 19, 2015, and November 20, 2015.**

23 IT IS FURTHER ORDERED that any **direct testimony** and associated exhibits to be
24 presented at hearing on behalf of any party shall be reduced to writing and filed on or before **October**
25 **9, 2015.**

26 _____
27 ¹ EPCOR, RUCO, and Staff indicated agreement to extend the timeclock due to the complexity of this case. Willow
28 Valley objected to an extension of the timeclock indicating that it preferred to have this matter resolved as expeditiously
as possible. Willow Valley affirmed that neither its shareholders nor its customers would suffer detrimental harm as a
result of extending the timeclock for an additional 60 days.

1 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be
2 presented at hearing on behalf of any party shall be reduced to writing and filed on or before **October**
3 **23, 2015**.

4 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be
5 presented at hearing on behalf of any party shall be reduced to writing and filed on or before
6 **November 6, 2015**.

7 IT IS FURTHER ORDERED that **closing briefs** shall be filed no later than **December 7,**
8 **2015**.

9 IT IS FURTHER ORDERED that Willow Valley Water Co., Inc. and EPCOR Water Arizona,
10 Inc. shall provide public notice of the hearing in this matter, in the following form and style, with the
11 heading in no less than 10-point bold type and the body in no less than 10-point regular type:

12 **PUBLIC NOTICE OF THE APPLICATION OF WILLOW VALLEY WATER CO., INC.**
13 **AND EPCOR WATER ARIZONA, INC. FOR APPROVAL OF THE SALE OF ASSETS AND**
14 **TRANSFER OF CERTIFICATE OF CONVENIENCE AND NECESSITY.**
(DOCKET NOS. W-01732A-15-0131 AND W-01303A-15-0131)

15 On April 22, 2015, Willow Valley Water Co., Inc. ("Willow Valley") and EPCOR
16 Water Arizona, Inc. ("EPCOR") (collectively "Applicants") filed with the Arizona
17 Corporation Commission ("Commission") an application for approval of the sale of
18 Willow Valley's assets and the transfer of its Certificate of Convenience and
19 Necessity ("CC&N") to EPCOR. The application is available for public inspection
during regular business hours at the offices of Willow Valley [*Insert Address*];
EPCOR [*Insert Address*]; the Commission's Docket Control Center at 1200 West
Washington Street, Phoenix, Arizona; and on the internet via the Commission's
website (www.azcc.gov) using the e-Docket function.

20 The Commission will hold a hearing on the application on **November 16, 2015, at**
21 **10:00 a.m.**, at the Commission's offices, 1200 West Washington, Hearing Room No.
22 1, Phoenix, Arizona, and continue, if necessary, on November 19 and 20, 2015.
23 Public comments will be taken on the first day of the hearing. Written public
24 comments may be submitted electronically by accessing the Commission's website
(www.azcc.gov) and clicking on the "Submit a Public Comment" button or by mailing
a letter referencing Docket Nos. W-01732A-15-0131 and W-01303A-15-0131 to:
Arizona Corporation Commission, Consumer Services Section, 1200 West
Washington, Phoenix, AZ 85007.

25 The law provides for an open public hearing at which, under appropriate
26 circumstances, interested parties may intervene. Any person or entity entitled by law
27 to intervene and having a direct and substantial interest in the matter will be permitted
28 to intervene. If you would like to intervene, you must file a written motion to
intervene with the Commission, and you must send copies of the motion to all parties
of record in the case. Your motion to intervene must contain the following:

- 1 1. Your name, address, and telephone number, and the name, address, and
2 telephone number of any party upon whom documents are to be served in
3 your place, if desired;
- 4 2. A short statement of your interest in the proceeding (e.g., a customer of
5 the Applicants, a shareholder of the Applicants, etc.);
- 6 3. A statement certifying that a copy of your motion to intervene has been
7 mailed to all parties of record in the case; and
- 8 4. If the proposed intervenor is not represented by an attorney who is an
9 active member of the Arizona State Bar, and is not an individual
10 representing himself or herself, information and any appropriate
11 documentation demonstrating the intervenor's compliance with Arizona
12 Supreme Court Rules 31, 38, and 42, as applicable.

13 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
14 that all motions to intervene must be filed on or before **October 23, 2015**. If
15 representation by counsel is required by Arizona Supreme Court Rules 31 and 38,
16 intervention will be conditioned upon the intervenor's obtaining counsel to represent
17 the intervenor. Information about intervention and sample intervention requests are
18 available on the Commission's website (www.azcc.gov) using the "Intervention in
19 Utility Cases" link. The granting of intervention, among other things, entitles a party
20 to present sworn evidence at hearing and to cross-examine witnesses. However,
21 failure to intervene will not preclude any interested person or entity from appearing at
22 the hearing and providing public comment on the applications or from filing written
23 comments in the record of the case.

24 The Commission does not discriminate on the basis of disability in admission to its
25 public meetings. Persons with a disability may request a reasonable accommodation
26 such as a sign language interpreter, as well as request this document in an alternative
27 format, by contacting the ADA Coordinator Shaylin Bernal, at SBernal@azcc.gov,
28 or voice phone number 602-542-3931. Requests should be made as early as possible
to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that Willow Valley Water Co., Inc. and EPCOR Water Arizona,
Inc. shall mail a copy of the above notice to each customer in the certificated area and shall cause the
above notice to be published at least once in a newspaper of general circulation in the service
territory, with **mailing and publication to be completed no later than October 2, 2015**.

IT IS FURTHER ORDERED that Willow Valley Water Co., Inc. and EPCOR Water Arizona,
Inc. shall file certification of mailing and publication as soon as practicable after the mailing and
publication have been completed, but no later than November 2, 2015.

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

IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
105, except that all motions to intervene must be filed on or before **October 23, 2015**.

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

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

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

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

1 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
2 31, 38, 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

3 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 – Unauthorized
4 Communications) continues to apply to this proceeding and shall remain in effect until the
5 Commission’s Decision in this matter is final and non-appealable.

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

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

15 DATED this 3rd day of September, 2015.



18 _____
19 SCOTT M. HESLA
ADMINISTRATIVE LAW JUDGE

20 Copies of the foregoing mailed/delivered
21 this 3rd day of September, 2015 to:

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