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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

SUSAN BITTER SMITH - Chairman
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TOM FORESE

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AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY

IN THE MATTER OF THE PETITION OF
ARIZONA WATER COMPANY FOR AN
INCREASE OF AREA TO BE SERVED AT
CENTRAL HEIGHTS, ARIZONA.

DOCKET NO. W-01445A-14-0305

PROCEDURAL ORDER
(Grants Extension)

ORIGINAL

BY THE COMMISSION:

On September 20, 1961, the Arizona Corporation Commission ("Commission") issued Decision No. 33424, granting Arizona Water Company ("AWC" or "Company") a Certificate of Convenience and Necessity ("CC&N") to serve various areas in Gila County, Arizona.

On August 18, 2014, the City of Globe ("Globe" or "City") filed a Petition to Amend Decision No. 33424 Pursuant to A.R.S. § 40-252, requesting that the Commission "correct Decision No. 33424" and remove portions of AWC's CC&N that the City states it has provided water service to since the early 1900s.

At the Commission's Staff Meeting on October 16, 2014, the Commissioners voted to reopen Decision No. 33424 Pursuant to A.R.S. § 40-252, and instructed the Commission's Hearing Division to conduct further proceedings on the matter. As a party to Decision No. 33424 and pursuant to A.A.C. R14-3-106(J), AWC is a party to this proceeding.

On October 30, 2014, by Procedural Order, a procedural conference was set for November 10, 2014 to discuss the procedural schedule to be followed in this matter.

On November 5, 2014, the parties filed a Joint Motion to Continue the Procedural Conference scheduled for November 10, 2014.

On November 6, 2014, by Procedural Order, the parties' Motion to Continue was granted and the procedural conference scheduled for November 10, 2014, was continued until January 6, 2015.

...

1 On January 2, 2015, AWC filed a Request to Appear Telephonically for the procedural
2 conference.

3 On January 6, 2015, the procedural conference was convened as scheduled. Globe and the
4 Commission's Utilities Division ("Staff") appeared through counsel. AWC appeared telephonically
5 through counsel. During the procedural conference, proposed procedural deadlines, the possibility of
6 settlement, the need for a proposed form of notice, and the need for maps of the disputed areas were
7 discussed.

8 On January 9, 2015, by Procedural Order, a status conference was scheduled to commence on
9 March 9, 2015, and other deadlines were established.

10 On January 16, 2015, AWC filed a Motion to Dismiss Petition to Amend Decision No. 33424
11 Pursuant to A.R.S. § 40-252, asserting, among other things, that the City failed to plead the requisite
12 elements of law for the relief sought, citing to *James P. Paul Water Co. v. Arizona Corp. Comm'n*,
13 137 Ariz. 426, 671 P.2d 404 (1983). AWC requested that the Commission dismiss the City's petition
14 with prejudice for failure to state a claim under Arizona Rules of Civil Procedure Rule 12(b)(6) and
15 the Commission's Rules of Practice.

16 On January 16, 2015, Globe filed a Joint Request to Change Procedural Conference Date due
17 to scheduling conflicts among the parties.

18 On January 26, 2015, by Procedural Order, the status conference was rescheduled to March 4,
19 2015.

20 On February 9, 2015, the City filed its Response to AWC's Motion to Dismiss.

21 On February 23, 2015, Staff filed its Staff Report, in which it discussed the evolution of
22 AWC's CC&N and included maps of the disputed areas.

23 On February 23, 2015, AWC filed its Reply in Support of Motion to Dismiss Petition to
24 Amend Decision No. 33424 Pursuant to A.R.S. § 40-252.

25 On February 25, 2015, Globe filed a Notice of Filing a Joint Proposed Form of Notice.

26 On March 4, 2015, a status conference was held as scheduled. Globe, AWC, and Staff
27 appeared through counsel. Oral argument was heard on AWC's Motion to Dismiss. At the
28 conclusion of oral arguments, the parties were notified that, due to disputed material facts, a ruling on

1 the Motion to Dismiss would be reserved until an evidentiary hearing was held and all the evidence
2 heard. During the course of oral arguments, counsel for AWC introduced case law that had not been
3 included in AWC's Motion to Dismiss. As a result, Staff and the City were given additional time,
4 until March 27, 2015, to file responses to AWC's Motion to Dismiss. Discussions were also held
5 among the parties regarding a procedural schedule for this proceeding and an agreement for a
6 proposed schedule was reached.

7 On March 6, 2015, a Procedural Order was issued scheduling an evidentiary hearing to
8 commence on October 26, 2015, and establishing other procedural deadlines.

9 On March 27, 2015, Staff filed its Response to Motion to Dismiss, arguing that dismissal at
10 this early stage would prevent the development of necessary facts to make a proper determination.
11 The City also filed a supplemental response to the Motion to Dismiss to address the new case law that
12 had been introduced at oral argument.

13 On April 10, 2015, AWC filed its Supplemental Reply Memorandum, in which it continued to
14 assert that dismissal of the City's Petition was appropriate at this time.

15 On April 23, 2015, consistent with the March 6, 2015 Procedural Order, counsel for AWC
16 contacted the Hearing Division and requested a telephonic conference to address ongoing discovery
17 issues. Thereafter, a telephonic status conference was scheduled for April 28, 2015.

18 On April 27, 2015, AWC filed a Motion For An Order Regarding City's Election of A.R.S. §
19 40-252 Theory, requesting an Order be issued finding the City's Petition and requested relief is based
20 on a theory that the Commission made a mistake at the time of granting the CC&N extension because
21 the City was already providing service as opposed to a deletion case which would require satisfaction
22 of *James P. Paul* factors, i.e., a demand for service was made and the utility was unable or unwilling
23 to supply such service. Attached to the Motion were excerpts from the March 4, 2015 oral argument
24 transcript, as well as the City's responses to AWC's second set of data requests.

25 On April 27, 2015, Globe docketed AWC's responses to Globe's first set of data requests for
26 discussion at the telephonic status conference.

27 On April 28, 2015, a telephonic status conference was held as scheduled, with the parties
28 appearing through counsel. AWC asserted that the City had not sufficiently responded to AWC's

1 data requests when the City delivered 700-plus pages that were neither Bates stamped nor identified
2 as responsive to any particular data request. AWC requested an Order requiring the City to identify
3 the document(s) pertaining to each of AWC's specific data request(s).

4 On May 7, 2015, AWC docketed a Status Update, attesting that the parties were working
5 together to resolve their discovery disputes.

6 On June 5, 2015, a telephonic status conference was held in which the parties each appeared
7 through counsel and the status of the certification of mailing and publication was discussed.

8 On June 9, 2015, Globe filed its Notice of Filing Affidavit of Mailing Public Notice and
9 Affidavit of Publication.

10 On June 23, 2015, Globe and AWC filed a Request for Extension of Time for Filing
11 Testimony, requesting that all testimony due dates be extended two weeks to allow for ongoing
12 settlement negotiations and stating that Staff did not object to this request.

13 On June 24, 2015, by Procedural Order, Globe and AWC's request for extension was granted.

14 On July 10, 2015, Globe filed its direct testimony of Robert Pate and Ernest Johnson.

15 On July 17, 2015, AWC filed Notices of Deposition for Brent Billingsley, Christopher J.
16 Collopy, Robert Pate, and Globe.

17 On July 31, 2015, AWC and Globe filed a Stipulated Request for Extension of Time for
18 Filing Testimony, requesting that each of the due dates for the remaining testimony be extended by
19 four days. The filing states that Staff does not object to the extension.

20 IT IS THEREFORE ORDERED that the request for an extension of time for the remaining
21 testimony due dates is hereby granted.

22 IT IS FURTHER ORDERED that **Arizona Water Company's rebuttal testimony** and
23 associated exhibits shall be filed on or before **August 14, 2015**.

24 IT IS FURTHER ORDERED that **Staff's direct testimony/Staff Report** and associated
25 exhibits shall be filed on or before **September 24, 2015**.

26 IT IS FURTHER ORDERED that **the City of Globe's or any Intervenors' surrebuttal**
27 **testimony** and associated exhibits shall be filed on or before **October 15, 2015**.

28 ...

1 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements
2 for pre-filed testimony shall be filed on or before October 15, 2015.

3 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
4 Communications) applies to this proceeding, as the matter is now set for public hearing, and shall
5 remain in effect until the 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 the obligation to appear at
9 all hearings, procedural conferences, Open Meetings for which the matter is scheduled for discussion,
10 unless counsel has previously been granted permission to withdraw by the Administrative Law Judge
11 or 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 4th day of August, 2015.

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18 _____
SASHA PATERNOSTER
ADMINISTRATIVE LAW JUDGE

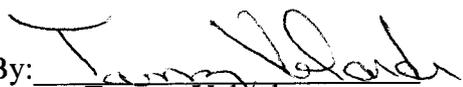
19 Copies of the foregoing mailed/delivered
20 this 4th day of August, 2015 to:

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