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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

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AZ CORP COMMISSION  
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Arizona Corporation Commission

DOCKETED

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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**  
**(Modifies Procedural Schedule)**

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.

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").

On July 30, 2015, a Procedural Order was issued scheduling a procedural conference to

1 discuss scheduling and other procedural matters.

2 On August 10, 2015, the procedural conference was held as scheduled, with EPCOR, Willow  
3 Valley, RUCO, and Staff appearing through counsel. At the procedural conference, a discussion was  
4 had among the parties regarding the status of and manner in which to proceed with the application.  
5 Due to the complexity of this case, it was determined reasonable and appropriate to extend the  
6 timeclock for an additional 60 days to allow sufficient time for the parties to conclude discovery and  
7 prepare their respective cases.<sup>1</sup> EPCOR proposed to confer with the other parties and file an agreed  
8 upon procedural schedule no later than August 31, 2015.

9 On August 14, 2015, a Procedural Order was issued memorializing the dates established in  
10 the preceding procedural conference.

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 On September 3, 2015, a Procedural Order was issued adopting the Proposed Schedule and  
19 establishing various other procedural requirements, dates, and deadlines.

20 On October 1, 2015, Willow Valley filed affidavits verifying that notice of the application and  
21 hearing thereon was mailed to customers on September 18, 2015, and published in the *Mohave Daily*  
22 *News* on September 23, 2015.

23 On October 9, 2015, RUCO and Staff filed the direct testimonies of their respective witnesses.

24 On October 23, 2015, Willow Valley and EPCOR filed the rebuttal testimonies of their  
25 respective witnesses.

26

27 <sup>1</sup> 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 On November 4, 2015, Willow Valley filed the affidavit of Mr. Michael Liebman, Chief  
2 Financial Officer of Global Water Resources, Inc.

3 On November 4, 2015, RUCO filed a motion requesting an extension of time to file  
4 surrebuttal testimony, from November 6, 2015 to November 16, 2015, and a continuance of the  
5 hearing, from November 16, 2015 to November 23, 2015. In its filing, RUCO also lodged an  
6 objection to Mr. Liebman's affidavit on the grounds that the affidavit is not in the form of testimony  
7 and Mr. Liebman would not be subject to cross-examination at the hearing.

8 On November 5, 2015, Willow Valley filed a response to RUCO's motion opposing a  
9 continuance of the hearing. In the interest of compromise, Willow Valley proposed the following  
10 modifications to the procedural schedule: that surrebuttal testimony be filed on November 13, 2015;  
11 that the hearing commence on November 19, 2015; and that the previously noticed November 16,  
12 2015 hearing date be preserved solely for the purpose of taking public comment. In addition, Willow  
13 Valley stated that RUCO's objection to Mr. Liebman's affidavit is moot because Willow Valley does  
14 not intend to offer the affidavit into evidence at the hearing.

15 On November 6, 2015, a telephonic procedural conference was convened, with EPCOR,  
16 Willow Valley, RUCO, and Staff appearing through counsel. At that time, the parties agreed to  
17 modify the procedural schedule as proposed by Willow Valley.

18 The procedural schedule modifications proposed by Willow Valley are reasonable under the  
19 circumstances and should be adopted.

20 IT IS THEREFORE ORDERED that the evidentiary hearing will now commence on  
21 **November 19, 2015, at 9:00 a.m.**, at the Commission's offices, 1200 West Washington Street,  
22 Hearing Room No. 1, Phoenix, Arizona, and shall continue, if necessary, on **November 20, 2015.**

23 IT IS FURTHER ORDERED that the hearing scheduled for **November 16, 2015, at 10:00**  
24 **a.m.**, shall proceed solely for the purpose of taking **public comment.**

25 IT IS FURTHER ORDERED that **surrebuttal testimony** and associated exhibits to be  
26 presented at hearing shall be reduced to writing and filed on or before **November 13, 2015.**

27 IT IS FURTHER ORDERED that in all other respects, the September 3, 2015 Procedural  
28 Order shall remain in full force and effect.

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 6<sup>th</sup> day of November, 2015.

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SCOTT M. HESLA  
ADMINISTRATIVE LAW JUDGE

19 Copies of the foregoing mailed/delivered  
20 this 6<sup>th</sup> day of November, 2015 to:

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