

ORIGINAL



0000174244

BEFORE THE ARIZONA CORPORATION COMMISSION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

COMMISSIONERS

DOUG LITTLE, Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

Arizona Corporation Commission

DOCKETED

OCT 26 2016

DOCKETED BY

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL

2016 OCT 26 P 4:30

IN THE MATTER OF THE PROPOSED
RULEMAKING CONCERNING THE NOTICE OF
INTENT REQUIREMENT WHEN ACQUIRING A
CLASS D OR CLASS E WATER OR
WASTEWATER UTILITY

DOCKET NO. RU-00000A-16-0300

**COMMENTS OF THE GLOBAL
UTILITIES**

Global Water – Santa Cruz Water Company, LLC, Global Water – Palo Verde Utilities Company, Water Utility of Greater Tonopah, LLC and Water Utility of Northern Scottsdale, LLC (collectively, the “Global Utilities”) provide these comments in response to the Utilities Division’s October 5, 2016 Request for Informal Comment in this docket. The Global Utilities support the proposed addition of new section “D” to Commission Rule A.A.C. R14-2-803.

This rule revision is reasonable and in the public interest for the reasons discussed during the May 16, 2016 workshop in the water reform docket, W-00000C-16-0151. The proposed rule revision will remove an unnecessary regulatory hurdle for large, capable and sophisticated utilities or utility holding companies to acquire smaller water or wastewater utilities. Currently, any person or entity can buy all of the shares of utility without Commission approval unless the utility or the buyer is a large “Class A” utility or utility holding company. In the case of a Class A buyer acquiring the shares of a small utility, this restriction makes little sense, as the large utilities have greater managerial, technical and financial resources, and thus have the most to offer as new owners.

Proposed subsection D would allow Class A utilities or utility holding companies to buy the shares of smaller Class D or E utilities without Commission approval. Eliminating this regulatory hurdle simply places Class A utilities and utility holding companies on a level playing

1 field with other potential buyers. More importantly, it also should encourage consolidation in
2 Arizona's highly fragmented water utility sector.

3 Accordingly, the proposed subsection is reasonable and in the public interest, and the
4 Commission should begin the formal rulemaking process.

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

RESPECTFULLY SUBMITTED this 26th day of October, 2016.

SNELL & WILMER L.L.P.

By 

Timothy J. Sabo
One Arizona Center
400 East Van Buren Street
Phoenix, Arizona 85004

Attorney for Global Water Resources, Inc.

1 Original + 13 copies of the foregoing
filed this 26th day of October, 2016 with:

2 Docket Control
3 ARIZONA CORPORATION COMMISSION
1200 West Washington
4 Phoenix, Arizona 85007

5 Copies of the foregoing hand-delivered/mailed
6 this 26th day of October, 2016, to:

7 Sarah N. Harpring
Administrative Law Judge
8 Hearing Division
Arizona Corporation Commission
9 1200 West Washington
Phoenix, Arizona 85007

10 Janice Alward
11 Legal Division
Arizona Corporation Commission
12 1200 West Washington
Phoenix, Arizona 85007

13 Thomas Broderick
14 Director, Utilities Division
Arizona Corporation Commission
15 1200 West Washington
Phoenix, Arizona 85007

16

17

18 Because this is a Rulemaking docket and has no parties, it is not necessary for an interested person to
19 provide service of its filings to all other interested persons included on the service list, although an
interested person may choose to do so.

19

20

By: 

21

22

23

24

25

26

27