

ORIGINAL



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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

TOM FORESE – Chairman
BOB BURNS
ANDY TOBIN
BOYD DUNN
JUSTIN OLSON

2018 JUN 15 P 2:59

Arizona Corporation Commission

DOCKETED

JUN 15 2018

DOCKETED BY

IN THE MATTER OF THE COMMISSION’S
INVESTIGATION OF JOHNSON UTILITIES, LLC
WATER OUTAGES.

DOCKET NO. WS-02987A-18-0151

PROCEDURAL ORDER

BY THE COMMISSION:

On June 8, 2018, the Utilities Division (“Staff”) of the Arizona Corporation Commission (“Commission”) filed a Memorandum requesting that a new docket be opened to investigate the recent water outage due to a pump failure and to determine if Johnson Utilities, LLC (“Johnson”) has the necessary managerial and technical capabilities to operate water and wastewater systems.

On June 12, 2018, in an Open Meeting, the Commissioners voted to set the matter for an evidentiary hearing on Staff’s investigation findings and recommendations, and directed the Hearing Division to schedule the matter on an expedited, or emergency, basis so that a Recommended Opinion and Order can be prepared by July 31, 2018.

On June 13, 2018, a Procedural Order Regarding Consent to Email Service was filed.

Also On June 13, 2018, by Procedural Order, a procedural conference was scheduled for June 14, 2018.

On June 14, 2018, at the procedural conference, Johnson and Staff appeared through counsel. The parties discussed a schedule for the evidentiary hearing, intervention, and public notice.

Accordingly, a hearing should be scheduled.

IT IS THEREFORE ORDERED that the **hearing in this matter shall commence on July 16, 2018, at 10:00 a.m.**, at the Commission’s offices, 1200 West Washington Street, Phoenix, Arizona 85007.

IT IS FURTHER ORDERED that **Johnson Utilities, LLC shall publish by June 29, 2018, notice of the evidentiary hearing in this matter** in a newspaper of general circulation in its service

1 area by posting in a prominent and conspicuous location and its website, and if possible, publishing in
 2 any newsletter that Johnson may distribute to its customers, in the following form and style with the
 3 heading in no less than 12-point bold type and the body in no less than 10-point regular type:

4 **PUBLIC NOTICE OF ARIZONA CORPORATION COMMISSION**
 5 **HEARING OF ITS INVESTIGATION OF JOHNSON UTILITIES, LLC**
 6 **WATER OUTAGES.**
 7 **DOCKET NO. WS-02987A-18-0151**

8 On June 1, 2018, Commissioner Olson requested that Staff perform an investigation
 9 and site visit to Johnson Utilities, LLC in response to customer complaints regarding
 10 low water pressure and a notice by Johnson Utilities to its customers that a well pump
 11 had failed. On June 4, 2018, Chairman Forese issued a letter in response to reports of
 12 low water pressure, well pump failure and the cessation of water service to certain
 13 Johnson Utilities construction customers. In that letter, Chairman Forese requested that
 14 Johnson Utilities provide information regarding these incidents. Further, he directed
 15 Commission Staff to perform an investigation and site inspection. Staff performed an
 16 investigation and site inspection of Johnson Utilities' facilities on June 4, 2018.

17 On June 8, 2018, Staff opened docket WS-02987A-18-0151, IN THE MATTER OF
 18 THE COMMISSION'S INVESTIGATION OF JOHNSON UTILITIES, LLC.
 19 WATER OUTAGES. At the June 12, 2018, Staff Open Meeting, the Commission
 20 voted to hold an emergency evidentiary hearing on these issues with the assigned
 21 Administrative Law Judge issuing a Recommended Opinion and Order by July 31,
 22 2018.

23 **THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF STAFF,
 24 JOHNSON, OR ANY INTERVENORS. THE COMMISSION WILL
 25 DETERMINE THE APPROPRIATE ACTION TO BE TAKEN IN THIS
 26 MATTER BASED ON THE EVIDENCE OF RECORD.**

27 **How You Can View Documents Related to this Matter**

28 Copies of all documents related to this matter that are filed with the Commission or
 issued by the Commission are available at the Commission's offices at 1200 West
 Washington, Phoenix, Arizona 85007, for public inspection during regular business
 hours, and on the Internet via the Commission's website (www.azcc.gov) using the e-
 Docket function and Docket No. WS-02987A-18-0151.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **July 16, 2018**, at 10:00
 a.m., at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.

Written public comments may be submitted by mailing a letter referencing Docket No.
 WS-02987A-18-0151 to Arizona Corporation Commission, Consumer Services
 Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on
 the Commission's website (www.azcc.gov) using "I Want To" and "Submit a Public

1 Comment.” If you require assistance, you may contact the Consumer Services Section
2 at 602-542-4251 or 1-800-222-7000.

3 **About Intervention**

4 The law provides for an open public hearing at which, under appropriate circumstances,
5 interested persons may intervene. An interested person may be granted intervention if
6 the outcome of the case will directly and substantially impact the person, and the
7 person’s intervention will not unduly broaden the issues in the case. Intervention,
8 among other things, entitles a party to present sworn evidence at hearing and to cross-
9 examine other parties’ witnesses. If an interested person does not intervene, the
10 interested person may attend the hearing and may provide public comment, but may
11 not present evidence or ask questions of witnesses at the hearing. Public comments are
12 reviewed and considered by the Commission, but do not constitute evidence of record
13 and cannot be relied upon by the Commission as proof of the matters asserted.

14 If you desire to request intervention, you must file an original and 13 hard copies of a
15 written request to intervene with Docket Control, 1200 West Washington, Phoenix, AZ
16 85007, no later than **July 10, 2018**. You also must serve a copy of the request to
17 intervene on each party of record, on the same day that you file the request to intervene
18 with the Commission. Information about intervention and sample intervention requests
19 are available on the Commission’s website (www.azcc.gov) using “I Want To” and
20 “Learn about Intervention in a Utility Case” and “Intervene in a Utility Case.”

21 Your request to intervene must contain the following:

- 22 1. Your name, address, and telephone number, and the name, address, and
23 telephone number of any person upon whom service of documents is to be made, if not
24 yourself;
- 25 2. A reference to Docket No. WS-02987A-18-0151;
- 26 3. A short statement explaining:
 - 27 a. Your interest in the proceeding (e.g., a customer of Johnson, etc.),
 - 28 b. How you will be directly and substantially affected by the outcome of
the case, and
 - c. Why your intervention will not unduly broaden the issues in the case;
- 4. A statement certifying that you have served a copy of the request to intervene
on Johnson or its attorney and all other parties of record in the case; and
- 5. If you are not represented by an attorney who is an active member of the
Arizona State Bar, and you are not representing yourself as an individual, sufficient
information and any appropriate documentation to demonstrate compliance with
Arizona Supreme Court Rules 31, 38, 39, and 42, as applicable.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
that all motions to intervene must be filed on or before July 10, 2018.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its
public meetings. Persons with a disability may request a reasonable accommodation
such as a sign language interpreter, as well as request this document in an alternative

1 format, by contacting the ADA Coordinator, Kacie Cannon, E-mail
2 KCannon@azcc.gov, voice phone number 602-542-2247. Requests should be made as
3 early as possible to allow time to arrange the accommodation.

4 IT IS FURTHER ORDERED that **Johnson Utilities, LLC** shall **file certification of**
5 **publication** as soon as practicable after the publication has been completed.

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

8 IT IS FURTHER ORDERED that Staff shall file its **Staff Report** and any associated exhibits
9 to be presented at the hearing on or before **June 25, 2018**.

10 IT IS FURTHER ORDERED that Johnson or intervenors shall file a response to the Staff
11 Report and any exhibits to be presented at the hearing on or before **July 12, 2018**.

12 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-105,
13 except that all motions to intervene must be filed on or before **July 10, 2018**.

14 IT IS FURTHER ORDERED that any objection(s) to motions to intervene shall be filed on or
15 before the commencement of the evidentiary hearing.

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

22 IT IS FURTHER ORDERED that each party or prospective party shall **refer to the Procedural**
23 **Order Regarding Consent to Email Service** issued in this matter on **June 13, 2018**, for additional
24 information regarding the process to consent to service by email. Information regarding Consent to
25 Email Service is also available on the Commission's website (www.azcc.gov) by clicking on "I Want
26 To" and then "Learn about Consenting to Email Service."

27 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
28 31, 38, 39, and 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

1 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
2 Communications) applies to this proceeding and shall remain in effect until the Commission's Decision
3 in this matter is final and non-appealable.

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

7 DATED this 15th day of June, 2018.

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10 _____
11 JANE L. RODDA
12 CHIEF ADMINISTRATIVE LAW JUDGE
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On this ^{15th} day of June, 2018, the foregoing document was filed with Docket Control as a Procedural Order – Sets a Hearing, and copies of the foregoing were mailed on behalf of the Hearing Division to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission’s eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

Jeff Crockett
CROCKETT LAW GROUP PLLC
2198 E. Camelback Road, Suite 305
Phoenix, AZ 85016
Attorney for Johnson Utilities, LLC
jeff@jeffcrockettllaw.com
gary@sd-law.com
bcole@azvision.net

Consented to Service by Email

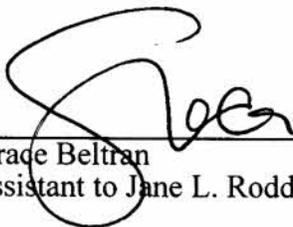
Andy Kvesic
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007
LegalDiv@azcc.gov
utildivservicebyemail@azcc.gov

Consented to Service by Email

COASH & COASH, INC.
Court Reporting, Video and
Videoconferencing
1802 North 7th Street
Phoenix, AZ 85006

Mailed as a courtesy

By:


Grade Beltran
Assistant to Jane L. Rodda