

**PUBLIC NOTICE OF THE HEARING ON THE
SETTLEMENT AGREEMENT IN THE MATTER OF THE APPLICATION
OF THE CITY OF GLOBE FOR APPROVAL TO
AMEND DECISION NO. 33424 PURSUANT TO A.R.S. §40-252
(DOCKET NO. W-01445a-14-0305).**

Summary

On September 20, 1961, the Arizona Corporation Commission ("Commission") issued Decision No. 33424, granting Arizona Water Company ("AWC") 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") filed with the Commission an application requesting approval to amend Decision No. 33424 by removing from AWC's CC&N two areas to which Globe stated it has provided water service since the early 1900s.

Since the filing of the application, Globe and AWC have engaged in settlement discussions which resulted in a settlement agreement. Relevant terms of the settlement agreement include the following:

- The Southern Disputed Area, more commonly known as Arlington Heights, encompassed in portion of Section 26, Township 1 North, Range 15 East, is within AWC's CC&N and has 48 customers to whom Globe provides public utility water service. Under the terms of the settlement agreement, the customers in the southern Disputed Area will transition to receive water service from AWC, under AWC's Commission-approved rates.
- The Northern Disputed Area, adjoining U.S. Highway 60 near Pinaleno Pass Road, Pinal Creek Road, and the railroad tracks located north of U.W. Highway 60 in portions of Section 23, Township 1 North, Range 15 East, is within AWC's CC&N and has 14 customers to whom Globe provides public utility water service. Under the terms of the settlement agreement, the customers in the Northern Disputed Area will continue to receive water service from Globe via a license granted by AWC and will continue to pay Globe's rates and charges.
- AWC shall purchase Globe's water distribution infrastructure in the Southern Disputed Area and along U.S. Highway 60 in the Northern Disputed Area.
- Under the settlement agreement, the monthly bill for a residential customer with average or median usage in the Southern Disputed Area within the city limits will be reduced by approximately \$1.33 or \$1.32, respectively; the monthly bill for a residential customer with average or median usage in the Southern Disputed Area outside the city limits will be reduced by approximately \$21.81 or \$20.22, respectively; and the monthly bill for a residential customer in the Northern Disputed Area will remain approximately the same.

The Commission will issue a Decision regarding the settlement agreement following consideration of testimony and evidence presented at an evidentiary hearing.

How You Can View or Obtain a Copy of the Settlement Agreement

Copies of the settlement agreement are available from Globe at: Globe City Hall; 150 N. Pine Street, Globe, Arizona 85501 between 8:00 am and 5:00 pm; from AWC at: Arizona Water Office; 422 W. Sullivan Street, Miami, Arizona 85539 between 9:00 am and 4:00 pm; at the Commission's Docket Control Center 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.

Globe and AWC have sent letters to the customers who are believed to be potentially affected by the settlement agreement.

Arizona corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **June 28, 2016 at 10:00 a.m.**, at the Commission's offices, Hearing Room No. 1, 1200 West Washington Street, Phoenix, Arizona 85007. Public comments will be taken on the first day of hearing.

Written public comments may be submitted by mailing a letter referencing Docket No. W-01445A-14-0305 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 the "Submit a Public Comments for a Utility" function. If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

Additionally, Globe and AWC will hold an informational session regarding the settlement agreement at Globe City Hall on Wednesday; June 15, 2016 at 6:00 pm. The address for Globe City Hall is 150 N. Pine Street, Globe, Arizona 85501.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person's intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties' witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

To request intervention, you must file **an original and 13 hard copies** of a written request to intervene with Docket Control, 1200 West Washington Street, Phoenix, AZ 85007, **no later than June 17, 2016**. You also **must** serve a copy of the request to intervene on each party of record, on the same day that you file the request to intervene with the Commission. Information about intervention and sample intervention requests are available on the Commission's website (www.azcc.gov) using the "Intervention in Utility Cases" link.

Your request to intervene must contain the following:

1. Your name, address, and telephone number and the name, address, and telephone number of any person upon whom service of documents is to be made, if not yourself;
2. A reference to **docket No. W-01445A-14-0305**;
3. A short statement of your interest in the proceeding (E.G., a customer or potential customer of AWC, a customer of Globe, etc.), how you will be directly and substantially affected by the outcome of the case, and why your intervention will not unduly broaden the issues in the case;
4. A statement certifying that a copy of the motion to intervene has been mailed to Globe and AWC or their counsel and to all 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, information and any appropriate documentation, demonstrating 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 June 17, 2016. If representation by counsel is required by Arizona Supreme Court Rule 31, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor.

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 format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail SAbernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.