

PUBLIC NOTICE OF HEARING ON EPCOR WATER ARIZONA INC. AND JOHNSON UTILITIES, L.L.C.'S JOINT APPLICATION FOR APPROVAL TO TRANSFER THE CERTIFICATES OF CONVENIENCE AND NECESSITY OF THE WATER AND WASTEWATER SYSTEM ASSETS OF JOHNSON UTILITIES, L.L.C. TO EPCOR WATER ARIZONA INC.; DETERMINATION OF AN ACQUISITION PREMIUM FOR THE JOHNSON UTILITIES, L.L.C. WATER AND WASTEWATER SYSTEM ASSETS; AND APPROVAL OF DEBT FINANCING FOR EPCOR WATER ARIZONA, INC. (DOCKET NOS. WS-01303A-20-0298 AND WS-02987A-20-0298)

SUMMARY

On October 5, 2020, EPCOR Water Arizona Inc. ("EPCOR") and Johnson Utilities, L.L.C ("Johnson") (collectively the "Companies") filed a joint application with the Arizona Corporation Commission ("Commission") for approval to transfer the assets and Certificates of Convenience and Necessity ("CC&Ns") for Johnson's water and wastewater systems to EPCOR, determination of an acquisition premium for Johnson's water and wastewater system assets, and approval of debt financing for EPCOR ("joint application"). The Companies propose an acquisition premium of \$63.2 million for Johnson's systems, to be treated as a regulatory asset, and to have EPCOR issue a Carryback Note for \$10 million with simple interest at 3% per annum and a term of three years. The Companies also request that the following dockets involving Johnson be dismissed with prejudice and administratively closed: Docket Nos. WS-02987A-18-0050, WS-02987A-18-0343, and WS-02987A-18-0329. Finally, the Companies request that the Commission approve EPCOR's acquisition of Johnson's water and wastewater assets by December 31, 2020. The joint application does not propose any changes to the water and wastewater utility service rates currently paid by Johnson's customers but does propose to have the pending rate case for Johnson, in Docket No. WS-02987A-20-0025, continue before the Commission. Additionally, the joint application proposes to have EPCOR add the Johnson systems to EPCOR's operations as new San Tan Valley water and wastewater districts, to be operated by EPCOR's employees.

THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF THE COMPANIES, STAFF, OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED IN RESPONSE TO THE JOINT APPLICATION BASED ON THE EVIDENCE PRESENTED IN THIS MATTER.

How You Can View or Obtain a Copy of the Application

Copies of the Application are available from the Companies on the Companies' respective websites — from EPCOR at www.epcor.com and from Johnson at www.johnsonutilities.com; at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, and the Commission's office at 400 West Congress Street, Suite 218, Tucson, Arizona, during regular business hours; and on the Commission website (www.azcc.gov) using the e-Docket function. Access to the Commission's Docket Control Center and the Commission's Tucson office is restricted due to the COVID-19 pandemic but can be arranged by appointment by calling 602-542-4250.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **November 18, 2020, at 10:00 a.m.**, or as soon as practicable thereafter, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona. Telephonic public comments will be taken before the hearing commences, as set forth below.

Telephonic Public Comment Sessions

Due to federal and state COVID-19 pandemic safety guidelines, public comment will not be permitted in person. The Commission will allow **telephonic public comment** to be provided as follows:

Date	Time
Monday, November 2 , 2020	6:00 p.m. to 8:30 p.m., or until the last caller is finished speaking, whichever comes first
Wednesday, November 18 , 2020	10:00 a.m. to 12:30 p.m. or until the last caller is finished speaking, whichever comes first. The hearing will commence after the public comment concludes.

To provide telephonic public comments, please call, **1-866-705-2554 and enter this code: 241497#.**

The Commission will impose a three-minute time limit per speaker, to maximize the number of callers who have an opportunity to speak. That time limit may be extended by the presiding Administrative Law Judge.

There may be a significant wait time to speak, and callers will be muted until it is their turn to speak. However, once placed into the proceeding, callers will be able to hear the comments of other callers through the phone line. Callers should turn off their computer audio during the public comment meeting, as the live stream on azcc.gov is delayed by 28 seconds and may cause feedback when it is the caller's turn to speak.

The Commission encourages callers to use landline telephones for the telephonic public comment meetings, as mobile telephones do not consistently provide adequate audio quality to permit the verbatim transcription of telephonic speech. If a caller cannot be sufficiently understood to make an accurate transcription, the caller will be requested to file written comments in the docket.

Written public comments may be submitted by mailing a letter referencing **Docket No. WS-01303A-20-0298 et al.** 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) by clicking on "Cases and Open Meetings" and "Make a Public Comment in a Docket." If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this docket unless you sign up to Follow the Docket. However, all documents filed in this docket are available online (usually within 24 hours after docketing) at the Commission's website (www.azcc.gov) using the e-Docket function. **Information on how to Follow a Docket is available on the Commission's website by clicking on "Cases and Open Meetings" and "Follow a Docket or Document Type."**

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.

Intervention is not required for you to provide telephonic public comment, to file written comments in the case, or to receive emailed notice of each filing made in the case by following the docket.

Information about what intervention means, including an explanation of the rights and responsibilities of an intervenor, is available on the Commission's website (www.azcc.gov) by clicking on "Cases and Open Meetings" and then clicking on "Intervene in a Case."

The information includes a Sample Intervention Request and a Fillable Intervention Request Form.

To request intervention, you must file a written request to intervene, either (a) by filing a hard copy request (meeting filing requirements) with Docket Control (Docket Control, 1200 West Washington, Phoenix, AZ 85007), or (b) by eFiling the request. Your request **must be filed or eFiled no later than November 6, 2020**. Instructions and restrictions for eFiling are available on the Commission's website at <http://azcc.gov/hearing/efile-for-utilities-instruction>. 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.

Your request to intervene **must** contain the information below:

1. Your name, address, and telephone number;
2. A reference to Docket No. WS-01303A-20-0298, et al.;
3. A short statement explaining:
 - a. Your interest in the proceeding (e.g., a customer of the regulated company involved, a property owner in an area to be affected by the case, etc.),
 - 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 sent copies of your request to intervene to EPCOR and Johnson through their attorneys and to 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. This only applies if you are NOT representing yourself and you are not a licensed attorney.

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 **November 6, 2020**.

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, Carolyn Buck, E-mail ADACoordinator@azcc.gov, voice phone number 602-542-2247. Requests should be made as early as possible and no later than 48 hours in advance of the event to allow time to arrange the accommodation.