



The July Open Meeting at the Arizona Corporation Commission convened at 2:00 p.m. on July 19, 2018.

Water & Wastewater

Rate Applications

Liberty Utility (Litchfield Park Water and Sewer) Corp. was authorized both a rate increase for its water and wastewater divisions and certain requested financing authorizations. Litchfield Park is a Class A utility that provides service to approximately 18,500 water and 17,600 wastewater customers in Maricopa County. Litchfield Park sought rate relief due to significant plant additions needed to treat elevated organic strengths in the influent received at its Palm Valley Water Reclamation Facility, as well as address Environmental Protection Agency health advisories to treat Perfluorooctanic Acid and Perfluorooctane Sulfate in certain wells.

According to the Recommended Opinion and Order, Staff and RUCO discovered during the proceedings that the Company had not been recording revenues and certain contributions in aid of construction that it had received arising out of multiple agreements executed with a group of landowners in the Northwest Phoenix metro area (the “Northwest Sewer Matter”). Under these agreements, two homeowner associations (“HOA”) in the area own the on-site sewer system, a developer group owns a transmission main that delivers wastewater to a Litchfield Park reclamation facility, Litchfield Park treats the wastewater for the communities, and Liberty Utilities operates and maintains the entire Northwest Sewer system.

In compensation for its work in the Northwest Sewer Matter, Litchfield Park is paid based on a pro rata distribution of costs to treat the wastewater at the treatment facility as well as a return on capital. The Company defined this payment as “unregulated revenue;” that is, revenue generated using a regulated utility’s plant and labor to perform service other than the sale of retail utility services. The parties agreed that unregulated revenue should be included in rate base schedules and recognized in the determination of the utility’s revenue requirement. However, Litchfield Park had failed to record these unregulated revenues and third-party contributions in this and prior rate cases. The Company acknowledged the error as a mistake. To correct it, the parties entered a joint stipulation that the Company will provide a bill credit to customers, establishing a regulatory liability in the amount of \$2,942,337 without an impact to rate base. The parties also agreed to amortize \$1,645,000 in unrecorded CIAC beginning in the test year for this rate case. Litchfield Park further agreed to a plan for returning the funds to

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During the Commission's deliberations on this matter, the Commission approved 4-1 an amendment proposed by Commissioner Burns to impute the revenue collected from the Northwest Sewer HOAs as if those developments had been charged on a per lot basis at the same (higher) wastewater rate as Litchfield Park's retail utility customers. Because the overall revenue requirement would remain the same, this proposal would reduce the Company's retail customer rates. The Company adamantly opposed this amendment, arguing that the Northwest Sewer landowners receive a different service than do retail customers and that it would not be equitable to charge both the same price. During the discussion of the Burns Amendment, Commissioner Tobin inquired as to whether any evidence had been presented at the hearing regarding what the appropriate rate might be for the Northwest Sewer landowners, to which the Company replied in the negative. Commissioner Tobin alone voted against the amendment.

Agenda Items Held

Item 12. Cerbat Water Company (W-02391A-18-0018 and W-02391A-18-0061) – Application for Approval of a Rate Adjustment and for Authority to Incur Long-Term Debt. Item was removed from the agenda without comment.

The only other significant item of dispute was the allocation of corporate bonuses. Ultimately, the Commission adopted an amendment proposed by Commissioner Olson, which picked up RUCO's recommendation that no corporate bonuses should be included in the revenue requirement. The Commissioners unanimously approved the Amendment and the accompanying revenue requirement reduction.

Litchfield Park's water and wastewater divisions had a 100 percent equity structure when they filed their financing and rate applications. The Company requested financing authority to borrow up to \$40,000,000 to achieve a 60/40 capital structure. The Commission granted that request and authorized the Company to incur a 10-year loan at an interest rate equal to the United States 10 Year Treasury Bond rate plus 145 basis points.

Through this order, the Company's water division will now have a capital structure of 60 percent equity and 40 percent debt, with a cost of debt of 4.19 percent and a cost of equity of 9.7 percent. The water division's fair value rate of return will be 7.5 percent. Prior to the Commission's amendments, the Company would have received a revenue decrease of \$644,289, or 4.76 percent, for a total revenue requirement of \$12,880,563. The new rates would have resulted in a decrease to the typical residential customer's water bill of \$1.28, or -4.91 percent, from \$25.96 to \$24.68. Those figures will change because of the Olson and Burns amendments.

Through this order, the Company's wastewater division will now have a capital structure of 60 percent equity and 40 percent debt, with a cost of debt of 4.19 percent and a cost of equity of 9.7 percent. The wastewater division's fair value rate of return will be 7.5 percent. As before, prior to the amendments, the Company would have received a revenue increase of \$1,525,253 or 13.11 percent, over test year wastewater revenues for a total revenue requirement of \$13,159,207. The new rates would have resulted in an increase to the typical residential customer's water bill of \$5.60, or 13.88 percent, from \$40.35 to \$45.95. Again, the Olson and Burns amendments will change those numbers.

The Commission also approved a purchased power adjustment mechanism and a property tax adjustment mechanism. The Company received approval to modify its Hook-Up Fee Tariff, subject to a modification sponsored by Commissioner Olson requiring the Company to defer making any changes to its taxation of contributions and advances in aid of construction until the Commission affirms a policy in Docket AU-00000A-17-0379.

The item was unanimously passed as amended. (Docket Nos. SW-01428A-17-0058, W-01427A-17-0059, W-01427A-17-0077, and SW-01428A-17-0078).

Gonzalez Utility Service, LLC received approval to increase rates. The Company is a Class E water company providing potable water to eleven residential connections in an area outside of Coolidge, Arizona. The Commission determined that Gonzalez has a fair value rate base (FVRB) equivalent to its original cost rate base (OCRB) of \$10,995. A \$2,665 or 102.29 percent, increase over test year revenue to \$5,2625 was approved, which results in an operating income of \$1,100, an operating of margin of 20.88 percent, and cash availability of \$1,570.

The Commission increased the monthly usage charge for the average meter size from \$20.00 to \$23.80 and readjusted the commodity rates for a first tier to up to 3,000 gallons, the second tier from 3,001 to 12,000 gallons and the third tier to over 12,000 gallons.

Gonzalez has been collecting an emergency repair and replacement fund surcharge that was set to expire in September. The Commission approved a new surcharge for the Company to build reserve funds should emergency repairs to its well become necessary – the new surcharge is for the same amount as the previous surcharge, \$42.72 per customer per month.

Without the surcharge, the typical customer's bill will increase from \$20.00 to \$35.54, an increase of \$15.54 or 77.7 percent. The total increase to the median customer's monthly bill, including the surcharge, will be by \$15.54, or 24.8 percent, from \$62.71 to \$78.26. The Commission approved a minor Hearing Division Amendment to correct a typographical error. The item was approved unanimously without discussion (Docket No. W-20940A-18-0031).

Financing Applications

Monte Vista Water Co., LLC received approval to obtain an emergency loan from the Arizona Water Infrastructure Finance Authority ("WIFA"). Monte Vista is a Class E water company providing service to approximately 34 residents in the Monte Vista Trailer Park in Douglas, Arizona. The Company will use the proceeds of the loan to replace a failing pressure tank with booster pumps, add a storage tank, and bring the electrical system up to code. The Commission approved the issuance of a \$159,991 loan from WIFA at an interest rate not to exceed 4.0 percent for a term of 20 years. The emergency surcharge will be \$34.79 per customer per month. The Company is also required to file for a permanent rate case by July 1, 2019 using a 2018 test year. During the deliberations, Commissioner Tobin asked what would happen to the approved surcharge if part of the WIFA loan was later forgiven. Commission Staff explained that WIFA typically communicates any intent to forgive a portion of the loan before finalizing the loan documents, and that the change would be accounted for in the surcharge; however, Staff also stated that they would look into creating language to address any such potential change for future applications. The matter was unanimously approved. (Docket No. W-02703A-18-0130).

Miscellaneous

The Commission ordered Staff to file an Order to Show Cause against **Navrol D. Bales d/b/a Sunizona Water Company** and ordered Sunizona not to discontinue water service to customer Jeff Herbst or take any other retaliatory action against Mr. Herbst. In March of 2017, Mr. Herbst filed a complaint with the Commission against Sunizona alleging several things, including but not limited to improper billing, improper installation of a service line and meter, and lack of qualification to run a water system. The Complaint proceeded through the normal procedural process, with hearing days held on October 4, 2017, January 24, 2018 and March 21, 2018. While the proceedings were pending, Sunizona threatened to turn off Mr. Herbst's water or send him to collections – in direct violation of Procedural Orders.

No Company representative was present at Open Meeting. The administrative law judge informed the Commissioners that this Company

has a long history of ignoring Commission orders. Commissioner Dunn was interested in understanding how the Commission may prevent Sunizona's owner from personally impacting a customer's service and indicated that if Sunizona tries to discontinue a customer's water service again, he would be in favor of not only appointing an interim manager but levying financial penalties. Commissioner Tobin was also exasperated at the situation, and while he was grateful for how the administrative law judge handled the situation, he expressed an intent to explore a faster process for addressing bad actors. The item was unanimously approved. (Docket No. W-03912A-17-0081).

The Commissions approved the cancellation of **Winslow West Water Company, Inc.'s** Certificate of Convenience and Necessity (CC&N). The sole officer and stockholder of the Company passed away in 2013 and the ownership of the assets and the equipment were transferred to the approximately 10 mobile home owners using the services. (Docket No. W-02151A-15-0189). *Approved on Consent Agenda.*

The Commission amended Decision No. 76766 (June 26, 2018) for **Far West Water and Sewer Inc.** to correct a clerical error on a table appearing at page 5, lines 9-19. (Docket No. WS-03478A-18-0090). *Approved on Consent Agenda.*

Electricity

Southwest Transmission Cooperative, Inc. (AEPCO) received approval to amend Certificate of Environmental Compatibility (CEC) 152. The Company will now install double-circuit capable structures, instead of single-circuit, on a one-mile portion of the Valencia Project. The one-mile line will replace an aged 46-kV radial transmission line owned by Tucson Electric Power Company with a new 115-kV capable line with shared ownership between AEPCO, TEP and the Central Arizona Water Conservation District. The item was pulled from the Consent Agenda to approve a minor verbal Staff Amendment that corrected a few dates and changed the phrase "right of way" to "corridor." Commissioner Dunn inquired if any notice of the change was provided to potentially affected parties. The Company responded that no notice was given, but that none was needed in this case considering the positive visual impact of the project – the change replaces the potential for two lines (one that is quite old) with a single more aesthetically pleasing new line. The item was unanimously approved. (Docket No. L-00000CC-09-0543-00152).

Taxes

The Commission ordered **Southwest Gas Corporation** to return tax savings of approximately \$20 million created because of the Tax Cut and Jobs Act to customers. Based on the total tax savings of \$20,001,916, the Commission approved a monthly bill credit of \$0.03170 per therm or approximately \$0.82 per month for an average residential customer. SWG was also ordered to issue a one-time bill credit of \$5.77 for the average residential customer to account for the Company's tax savings for the seven months since January 2018. Additionally, within 180 days of the Order or the Company's next rate case filing (whichever is sooner), SWG is required to make a filing to address the impact of the Tax Act on its Accumulated Deferred Income Tax (ADIT) and the related amortization of the Excess Accumulated Deferred Income Tax (EDIT).

Staff disagreed with the Company's filed proposal, which would consider the results of an earnings test in the calculation of tax savings refundable to

SWG customers. Under SWG's proposal, the Company would flow back only the net tax savings remaining after the Company's actual operating results were adjusted to assure that the Company earned its full authorized fair rate of return of 5.71 percent. Using this adjustment would reduce the tax savings by approximately \$8 million, providing for a net tax savings refund of approximately \$12 million. SWG argued that this method was appropriate, considering that the Company has a revenue decoupling mechanism. The Commissioners and Staff disagreed that the earnings test concept should be applied outside of the decoupling plan, proposing instead to determine the refund based only on the decrease in the federal corporate income tax rate.

During the Open Meeting, the Commissioners discussed the Company's alternative proposal that it be allowed to file a general rate application to address the tax impacts. Commissioner Olson asked several questions regarding this proposal, especially considering that SWG had agreed in a prior rate case settlement to refrain from filing another rate case until mid-2019. Staff indicated that the Company could get around that provision by filing a request under A.R.S. § 40-252. In the alternative, SWG proposed that it could rely on another term in the Settlement Agreement stating that the stay out provision was not intended to preclude the Company from filing a rate case sooner than 2019 if a significant regulatory development occurred, which SWG argued had happened given the ratemaking implications of the Tax Act.

Commissioner Dunn also expressed concern over SWG filing another general rate case. He indicated that he takes stay-out provisions very seriously because, more often than not, rate cases result in higher rates for customers. In addition, he expressed concern that the rate case option was an attempt at a "redo" given the Commission's rejection of SWG's original proposal. Commissioner Olson echoed Commissioner Dunn's displeasure at SWG's apparent attempt at another go.

Commissioner Tobin asked the Company for additional information regarding its claim that refunding the \$20 million would put a strain on the Company's cash flow. Commissioner Tobin commented that such a result should concern the Commission considering that it could ultimately affect customers if SWG's credit ratings and other financial metrics are impaired. As a compromise, Commissioner Tobin suggested that the Company could refund \$12 million now and the remaining \$8 million could be addressed later, after a more thorough analysis. No other Commissioner was interested in that proposal. During the role-call vote, Commissioner Tobin expressed concern about potential unintended consequences resulting from an effort to move quickly to help customers. However, he ultimately voted to approve Staff's recommendation. The item was unanimously approved. (Docket No. G-01551A-18-0080).

The Commission approved plans for each of the **Liberty Utility Companies** to refund tax savings to its customers due to the Tax Cuts and Jobs Act as follows:

Litchfield Park Water and Sewer

The Commission ordered Litchfield's water division to refund Staff's estimated total savings of \$694,271 to water customers through a reduction to the authorized monthly usage water charge. An average water customer's fixed monthly charge will be reduced by \$1.87 going forward, until Litchfield's next rate case. The Company will also use a one-time bill credit of approximately \$13.09 to account for Litchfield's tax savings for the seven months since January 2018.

For the sewer division, the Commission authorized Litchfield to refund Staff's estimated total savings of \$508,256 to its sewer customers as a reduction to its authorized monthly usage charge. An average sewer customer's fixed monthly charge will be reduced by \$2.31 going forward

until the Company's next rate case. Litchfield will also use a one-time bill credit of approximately \$16.17 to account for the Company's tax for the seven months since January 2018.

The Commission approved Staff's revised Income Tax Adjustor Mechanism ("ITAM") for both the water and sewer divisions. The ITAM will allow the Company to pass through any increases or decreases in income taxes that may result from change in applicable federal income tax rates. (Docket Nos. SW-01428A-18-0211 & W-01427A-18-0211).

Bella Vista Water

The Commission ordered Bella Vista to refund Staff's estimated total tax savings of \$208,572 to customers through a reduction to the authorized monthly usage charge. A typical residential customer's fixed monthly charge will be reduced by \$1.29 going forward until Bella Vista's next rate case. Bella Vista will also use a one-time bill credit of approximately \$9.03 to account for the Company's tax savings for the seven months since January 2018. The Commission approved Staff's revised ITAM to enable the Company to pass through any increases or decreases in income taxes that result from any change in applicable federal income tax rates.

Additionally, the Commission ordered Bella Vista to calculate and file a report showing the impact of the Tax Act on its Excess Accumulated Deferred Income Taxes ("EADIT") and create a corresponding regulatory liability with a carrying cost. The Company must also apply a carrying cost to the regulatory assets or liabilities related to EADIT at the Company's weighted average cost of debt of 0.0930 percent. The Company must also use the Average Rate Assumption Method (ARAM) in normalizing its EADIT created by its protected and unprotected assets and provide a detailed plan for the flow back of the benefits. Within 90 days, the Company must make a compliance filing quantifying the impact of the Tax Act on its ADIT and related EADIT amortization periods for the plant-related and non-plant related portions of EADIT. The Company must maintain a regulatory liability to account for all tax savings deferred relating to the EADIT from January 1, 2018 until its next rate case. The Commission approved Staff's revised ITAM. The item was unanimously approved. (Docket No. W-02465A-18-0168).

Gold Canyon Sewer

The Commission ordered Gold Canyon to refund Staff's estimated total tax savings of \$208,417 to customers through a reduction to its authorized monthly usage charge. A typical residential customer's fixed monthly charge will be reduced by \$3.01 going forward until Gold Canyon's next rate case. Gold Canyon will also use a one-time bill credit of approximately \$21.07 to account for the Company's tax savings for the seven months since January 2018. The Commission approved Staff's revised ITAM to enable the Company to pass through any increases or decreases in income tax that result from any change in applicable federal income tax rates.

Additionally, the Commission ordered Gold Canyon to calculate and file a report showing the impact of the Tax Act on its EADIT and create a corresponding regulatory liability with a carrying cost. The Company must also apply a carrying cost to the regulatory assets or liabilities related to EADIT at the Company's weighted average cost of debt of 03.3800 percent. The Company must also use the Average Rate Assumption Method (ARAM) in normalizing its EADIT created by its protected and unprotected assets and provide a detailed plan for flowing back the benefits. Within 90 days, the Company must make a compliance filing quantifying the impact of the Tax Act on its ADIT and related EADIT amortization periods for the plant-related and non-plant related portions of EADIT. The Company must maintain a regulatory liability to account for all tax savings deferred relating to the EADIT from January 1, 2018 until its next rate case. The Commission

approved Staff's revised ITAM. The item was unanimously approved. (Docket No. (SW-02519A-18-0210).

Entrada Del Oro Sewer

For Entrada Del Oro Sewer, a Class D utility, the Commission approved regulatory accounting treatment for any tax savings realized by the Company, which includes the use of regulatory assets and regulatory liabilities to account for the impacts of the Tax Cut and Jobs Act. This treatment is consistent with the Commission's previous directives to Class D and E utilities. The item was unanimously approved. (Docket No. SW-04316A-18-0208).

Black Mountain Sewer

The Commission ordered Black Mountain to refund Staff's estimated total tax savings of \$72,882 to customers through a reduction to its authorized monthly usage charge. A typical residential customer's fixed monthly charge will be reduced by \$2.44 going forward until Black Mountain's next rate case. Black Mountain will also use a one-time bill credit of approximately \$17.08 to account for the Company's tax savings for the seven months since January 2018. The Commission approved Staff's revised ITAM to enable the Company to pass through any increases or decreases in income tax that result from any change in applicable federal income tax rates.

Additionally, the Commission ordered Black Mountain to calculate and file a report showing the impact of the Tax Act on its EADIT and create a corresponding regulatory liability with a carrying cost. The Company must also apply a carrying cost to the regulatory assets or liabilities related to EADIT at the Company's weighted average cost of debt of 1.0590 percent. The Company must also use the Average Rate Assumption Method (ARAM) in normalizing its EADIT created by its protected and unprotected assets and provide a detailed plan for flowing back the benefits. Within 90 days, the Company must make a compliance filing quantifying the impact of the Tax Act on its ADIT and related EADIT amortization periods for the plant-related and non-plant related portions of EADIT. The Company must maintain a regulatory liability to account for all tax savings deferred relating to the EADIT from January 1, 2018 until its next rate case. The Commission approved Staff's revised ITAM. The item was unanimously approved. (Docket No. SW-02361A-18-0209).

Rio Rico Water & Sewer

The Commission authorized Rio Rico's water division to refund Staff's estimated total tax savings of \$189,600 to water customers through a reduction to its authorized monthly usage water charge. An average water customer's fixed monthly charge will be reduced by \$2.13 going forward, until Rio Rico's next rate case. The Company will also use a one-time bill credit of approximately \$14.91 to account for Rio Rico's tax savings for the seven months since January 2018.

For the sewer division, the Commission authorized Rio Rico to refund Staff's estimated total savings of \$95,258 to sewer customers through a reduction to its authorized monthly usage charge. An average sewer customer's fixed monthly charge will be reduced by \$3.63 going forward until the Company's next rate case. Rio Rico will also use a one-time bill credit of approximately \$25.41 to account for the Company's tax for the seven months since January 2018.

The Commission approved Staff's revised ITAM for both the water and sewer divisions, which will enable the Company to pass through any increases or decreases in income tax that result from any change in applicable federal income tax rates.

Additionally, the Commission ordered Rio Rico to calculate and file a report showing the impact of the Tax Act on its EADIT and create a corresponding regulatory liability with a carrying cost. The Company must also apply a carrying cost to the regulatory assets or liabilities related to EADIT at the Company's weighted average cost of debt of 0.93 percent. The Company must also use the Average Rate Assumption Method (ARAM) in normalizing its EADIT created by its protected and unprotected assets and provide a detailed plan for flowing back the benefits. Within 90 days, the Company must make a compliance filing quantifying the impact of the Tax Act on its ADIT and related EADIT amortization periods for the plant-related and non-plant related portions of EADIT. The Company must maintain a regulatory liability to account for all tax savings deferred relating to the EADIT from January 1, 2018 until its next rate case. The Commission approved Staff's revised ITAM. The Item was unanimously approved. (Docket No. WS-02676A-18-0182).

The Commission approved revised rates to refund the savings resulting from the Tax Cuts and Jobs Act to **Rio Verde Utilities, Inc's** customers. The water division's revenue requirement will be decreased by \$98,124 and the wastewater division's revenue requirement will be reduced by \$82,544. Because the Company currently is phasing in rates from a recent rate case, it is necessary to refund a proportionate amount of the annual savings relative to the revenue requirement collected at each phase. Between January 1, 2018 and May 31, 2018, Rio Verde was recovering 45 percent of the authorized rate increase for both divisions and starting in June 2018 it began the second phase of rate increases at 70 percent of the authorized revenue requirement.

For the water division, the Commission approved a one-time bill credit refund of 2.764 percent of total revenues billed to each customer from January through May 2018 and 4.015 percent of revenues billed in June and July 2018. For the wastewater division, Rio Verde will refund each customer 3.026 percent of the total amount billed from January through May 2018 and 4.243 percent of the total amount billed in June and July 2018, as a one-time bill credit. On average, a water customer will receive a one-time bill credit of \$6.49 and a wastewater customer will receive a one-time bill credit of \$13.43.

The Company was further ordered to file calculations showing the impact of the Tax Act on its accumulated deferred income tax (ADIT) and amortization related to Excess Deferred Income Tax.

In a 4-1 vote (with Commissioner Tobin voting nay), the Commission also approved a Staff Amendment that requires Rio Verde to make an annual compliance filing every April summarizing actual tax savings refunded in the preceding years. The filing shall compare actual tax savings to the amount of tax savings approved for refund and propose an appropriate mechanism to account for the annual variance. The Company indicated that this requirement was unnecessary and creates additional work down the road. The item as amended was approved unanimously. (Docket No. WS-02156A-18-0089).

The Commission approved a plan for **Vail Water Company** to refund tax savings to its customers due to the Tax Cuts and Jobs Act. Vail customers will receive a one-time bill credit for the three-month period January 1, 2018 through March 31, 2018 in the amount of \$0.0296 per 1,000 gallons, with an average customer receiving a one-time credit of \$0.60.

Vail's authority to recover income tax expense as an S-corporation was eliminated in accordance with Decision No. 76631 (March 29, 2018). The Commission concluded that the Company collected \$27,579 in income taxes from April 1 through July 31, 2018 and ordered Vail to provide an additional one-time bill credit of \$0.24202 per 1,000 gallons, or approximately \$6.46, to account for that period. In total, Vail's authorized revenue requirement was reduced from \$2,205,239 to \$2,122,501. To

account for this change, the Commission approved an ongoing monthly bill credit of \$0.24 per 1,000 gallons, or approximately \$1.61 for the average customer. The item was unanimously approved. (Docket No. W-01651B-18-0196).

Telecommunications

The Commission approved a *nunc pro tunc* correction to an ordering paragraph of Decision No. 76761 for the **AUSF Broadband Special Construction Project Fund**. Decision No. 76761 approved the last surcharge assessment collection in August 2018 for a July assessment, at which point the \$8 million cap is projected to be reached. The proposed correction clarifies that if the amount collected, including the August 2018 collection, is lower than the \$8 million cap, Solix (the administrator) will notify the carriers of any remaining obligation. This was intended to accommodate any potential billing constraints of carriers should another round of collections be necessary.

During the open meeting discussion, Commissioner Tobin expressed displeasure that no member of Staff had brought the issue to his attention prior to it being filed in the docket. Additionally, he expressed concern about the availability of the Arizona Universal Service Broadband Special Construction Project Funds in relation to the Arizona General Fund. Commissioner Tobin had submitted an amendment that would have made a change in the Arizona Administrative Code to allow funds from the AUSF to be expended as long as there were funds to expend, without any date constraints. However, he did not move his amendment on counsel that this was not the correct venue.

In a three to two vote, the *nunc pro tunc* passed. In addition to Commissioner Tobin, Commissioner Olson voted nay because he believed the fund should use the funds it raises through August and not prolong the surcharge. (Docket No. RT-00000H-97-0137). *Removed from Consent Agenda*.

NobelTel, LLC received approval to cancel its Certificate of Convenience and Necessity (CC&N) to provide competitive resold interexchange telecommunications services within the State of Arizona. (Docket No. T-04146A-18-0094). *Approved on Consent Agenda*.

The Commission approved **Inmate Calling Solutions, LLC dba ICSolution's** request to encumber its Arizona assets by financing up to \$2.6 billion in connection with a previously approved financing order for Securus, in Decision No. 76200 (July 13, 2017). The approval is conditioned on all customer deposits and prepayments be excluded from encumbrance and equivalent amounts be retained by ICS. (Docket No. T-04294A-18-0131). *Approved on the Consent Agenda*.

Railroads

Union Pacific Railroad Company received approval to extend the deadline to complete the modified crossing up-grade at Alma School Road in the City of Mesa by 12-months until June 27, 2019. (Docket No RR-03639A-16-0007). *Approved on the Consent Agenda*.

The Commission approved an upgrade to an existing **Burlington Northern & Santa Fe Railway Company** crossing. Within 24 months of the Order, BNSF will upgrade the crossing at Cotton Lane and will remove an existing crossing at Olive Avenue in the unincorporated community of Waddell in

Maricopa County, Arizona. (Docket No. (RR-02635B-17-0254). *Approved on the Consent Agenda.*

Union Pacific Railroad Company received approval to modify a crossing in Queen Creek. Within 15 months of this Order, UP will modify the existing-at-grade crossing at Combs (Riggs) Road in the Town of Queen Creek. Through an approved Hearing Amendment, a few minor corrections were made. (Docket No. RR-03639A-18-0067). *Approved on the Consent Agenda.*

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