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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

MARC SPITZER, Chairman
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AZ CORP COMMISSION
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Arizona Corporation Commission

DOCKETED

JUN - 3 2004

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IN THE MATTER OF THE APPLICATION OF
PALO VERDE UTILITIES COMPANY FOR AN
EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY.

DOCKET NO. SW-03575A-03-0586

IN THE MATTER OF THE APPLICATION OF
SANTA CRUZ WATER COMPANY FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE
OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-03576A-03-0586

PROCEDURAL ORDER

BY THE COMMISSION:

On August 18, 2003, Palo Verde Utilities Company ("Palo Verde") and Santa Cruz Water Company ("Santa Cruz") (jointly "Applicants") filed with the Arizona Corporation Commission ("Commission") an application in the respective, above-captioned dockets seeking to extend their Certificates of Convenience and Necessity to various specified areas of Pinal County, Arizona.

A hearing was held in this matter on December 8, 2003.

On January 22, 2004, a Recommended Opinion and Order was issued recommending approval of the application subject to certain conditions.

On February 5, 2004, the Applicants filed their Monthly Status Report in a prior docket involving Palo Verde and Santa Cruz (Docket Nos. SW-03575A-03-0167 and W-03576A-03-0167), pursuant to the requirements of Decision No. 66394 (October 6, 2003). In that Status Report, the Applicants stated that Michael Reinbold had resigned as president of Palo Verde and Santa Cruz effective January 30, 2004 and that an entity called Global Water Resources, LLC acquired 100 percent of the Applicants' membership interests in a transaction that closed February 2, 2004.

The Recommended Opinion and Order was discussed during the Commission's March 30, 2004 Open Meeting. As a result of the Open Meeting discussions, the Hearing Division was directed to conduct additional hearings regarding GWR's structure and qualifications.

1 On March 31, 2004, a Procedural Order was issued setting a hearing for May 12, 2004. The
2 March 31, 2004 Procedural Order also directed the Applicants and Staff to file testimony regarding
3 certain issues. The Applicants filed supporting testimony on April 16, 2004.

4 On May 3, 2004, the Applicants filed a Notice of Change of Address and Substitution of
5 Counsel. The filing provided a new address for the Applicants and a request that a substitution of
6 counsel be granted.

7 On May 4, 2004, the Applicants and Staff filed a Joint Stipulation to Modify Procedural
8 Schedule ("Stipulation"). Pursuant to the Stipulation, the Applicants and Staff request that the
9 hearing be rescheduled to a date as soon as possible following Staff's response.

10 On May 4, 2004, the Applicants filed a "Compliance Filing" pursuant to A.R.S. §29-633(B).
11 A.R.S. §29-633(B) provides, in relevant part, that a limited liability company ("LLC") must amend
12 its articles of incorporation on file with the Commission within 30 days following: 1) a change in any
13 arrangements or facts making the articles of incorporation inaccurate; 2) a change in the persons who
14 are members if management of the LLC is reserved to the members; or 3) a change in the persons
15 who are managers or in the members who own 20 percent or greater interest in the capital or profits
16 interest of the LLC if management of the LLC is vested in a manager or managers.

17 On May 10, 2004, by Procedural Order, a hearing was scheduled in this matter for June 18,
18 2004.

19 Pursuant to the May 10, 2004 Procedural Order, the Applicants filed supplemental testimony
20 on May 14, 2004. Staff filed a Supplemental Staff Report on May 28, 2004.

21 IT IS THEREFORE ORDERED that the Applicants shall file a response to Staff's
22 recommendations by no later than June 11, 2004.

23 IT IS FURTHER ORDERED that the hearing in this matter shall be rescheduled to
24 commence on June 28, 2004, at 10:00 a.m., at the offices of the Commission, 1200 West Washington,
25 Phoenix, Arizona 85007.

26 IT IS FURTHER ORDERED that Jeffrey W. Crockett, of the law firm Snell & Wilmer, shall
27 be substituted as counsel of record for the Applicants, Palo Verde Utilities Company and Santa Cruz
28 Water Company.

1 IT IS FURTHER ORDERED that the ex parte rule remains in effect.

2 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
3 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

4 DATED this 3rd day of June, 2004.

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7 DWIGHT D. NODES
8 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed
10 this 3 day of June, 2004 to:

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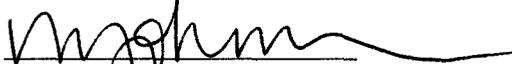
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By: 
8 Molly Johnson
9 Secretary to Dwight D. Nodes

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