

EXCEPTION



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ORIGINAL
OPEN MEETING AGENDA ITEM

BEFORE THE ARIZONA CORPORATION COMMISSION

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12

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Arizona Corporation Commission

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JUL 26 2004

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IN THE MATTER OF
THE APPLICATION OF MOUNTAIN
GLEN WATER SERVICE, INC. FOR A
PERMANENT RATE INCREASE IN
MARICOPA COUNTY, ARIZONA

DOCKET NO.: W-03875A-03-0737

NOTICE OF EXCEPTIONS TO
PROPOSED OPINION AND ORDER OF
THE ADMINISTRATIVE LAW JUDGE

IN THE MATTER OF
THE APPLICATION OF MOUNTAIN
GLEN WATER SERVICE, INC. FOR
FINANCIAL APPROVAL IN MARICOPA
COUNTY, ARIZONA

DOCKET NO.: W-03875A-03-0870

NOTICE OF EXCEPTIONS TO
PROPOSED OPINION AND ORDER OF
THE ADMINISTRATIVE LAW JUDGE

Mountain Glen Water Service, Inc. ("Mountain Glen"), through undersigned counsel, hereby files the following exceptions to the proposed Opinion and Order of the Administrative Law Judge in the above-referenced matter.

Pursuant to A.A.C.R-14-2-403(B), a utility may require a deposit from any new applicant for service. Interest on deposits shall be calculated annually at an interest rate filed by the utility and approved by the Commission in a tariff proceeding. In the absence of a tariff rate, the interest rate defaults to 6%. In the above-captioned case, Mountain Glen proposed a 0% interest rate be incorporated into its tariff with the justification that Mountain Glen earns less than 1.5% interest from its banking institution. Mountain Glen's proposes that its interest charge under R-14-2-403(B) be that rate charged to Mountain Glen by its financial institution.

It appears that the proposed Opinion and Order contains an error on page 11, ¶26 directing the company to file on or before **July 31, 2004**, revised rate schedules . . . Mountain Glen proposes the date be changed to August 31, 2004.

1 Mountain Glen has concerns regarding its WIFA application and would request that the
2 Commission clarify its approval in this proceeding of the company's financing application for
3 authority to borrow up to \$783,392 from WIFA. Therefore, Mountain Glen proposes the following
4 language at page 13, line 12:

5 IT IS FURTHER ORDERED that the company's financing application for
6 authority to borrow up to \$783,392 from WIFA is approved and in accordance
7 with Staff's recommendation described herein. Mountain Glen Water Services,
8 Inc. shall file in this consolidated docket, within thirty days after receiving
9 preliminary approval of a loan from WIFA for financing arsenic treatment
10 facilities, and amended request for financing and for their approval of an arsenic
11 surcharge mechanism.

12 Finally, Mountain Glen requests clarification regarding the Commission's proposal to
13 keep the consolidated docket open only until December 31, 2004 for the purposed of receiving
14 Mountain Glen's amended request for financing and for the establishment of an arsenic surcharge, once
15 the costs of the Company's arsenic treatment plans are known. (Pg. 13, lines 12-15). Although
16 Mountain Glen plans to move quickly in identifying a resolution to its arsenic issues, Mountain Glen
17 must first retain an engineering firm to evaluate its options. Mountain Glen is concerned that the
18 December 31, 2004 deadline will not provide for sufficient time to obtain an engineering
19 recommendation and allow Staff the opportunity to evaluate the reasonableness or feasibility of the
20 proposed arsenic plan. Mountain Glen would like to see language in the Order that allows Mountain
21 Glen the opportunity to extend this deadline for good cause. Therefore, Mountain Glen proposes the
22 following language at page 13, line 15:

23 Mountain Glen may extend this deadline until June 31, 2004, upon written request to the
24 Hearing Division and upon a showing of good cause that the extension is in the public interest.

1 RESPECTFULLY SUBMITTED this 26 day of July, 2004.

2 **LOOSE, BROWN & ASSOCIATES, P.C.**

3
4 By 

5 Donald A. Loose

6 C. Kyle Brown

7 Robert J. Metli

8 *Attorneys for Mountain Glen Water Service, Inc.*

9 *ORIGINAL and 13 copies of the*
10 *foregoing filed this 26th day of July,*
11 *2004, with:*

12 Docket Control
13 ARIZONA CORPORATION COMMISSION
14 1200 West Washington Street
15 Phoenix, Arizona 85007-2927

16 *COPIES of the foregoing hand-delivered*
17 *this 26th day of July, 2004, to:*

18 Lyn Farmer
19 Chief Administrative Judge
20 ARIZONA CORPORATION COMMISSION
21 1200 West Washington Street
22 Phoenix, Arizona 85007-2927

23 Chris Kempley
24 Chief Counsel, Legal Division
25 ARIZONA CORPORATION COMMISSION
26 1200 West Washington Street
27 Phoenix, Arizona 85007-2927

28 Ernest Johnson
Director, Utilities Division
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