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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2005 MAR -7 A 9:03

Arizona Corporation Commission

DOCKETED

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MARC SPITZER  
MIKE GLEASON  
KRISTIN K. MAYES

AZ CORP COMMISSION  
DOCUMENT CONTROL

MAR - 7 2005

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF  
BEAVER VALLEY WATER COMPANY FOR  
APPROVAL OF THE SALE OF ITS ASSETS AND  
FOR THE TRANSFER OF ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY.

DOCKET NO. W-02015A-03-0724

PROCEDURAL ORDER

BY THE COMMISSION:

On October 1, 2003, Beaver Valley Water Company ("BVWC" or "Applicant"), filed with the Arizona Corporation Commission ("Commission") an application for approval of the sale of its assets and the transfer of its Certificate of Convenience and Necessity ("Certificate") as required by Decision No. 66388 (October 6, 2003).

On October 15, 2003, the Commission's Utilities Division Staff ("Staff") filed a letter by which it notified BVWC that its application was insufficient.

On June 22, 2004, Staff filed a Status Report in which it indicated that it was unable to recommend approval of BVWC's application absent documentation evidencing compliance with the Arizona Department of Environmental Quality ("ADEQ").

On August 23, 2004, Staff filed a Motion to Close Docket/Status Report by which Staff requested closure of this docket based on BVWC's failure to comply with requests for information evidencing both its ADEQ compliance as well as the legal status of the asset sale and sale contract.

By Procedural Order dated September 7, 2004, Staff was ordered to investigate BVWC's current operations, including but not limited to, ADEQ compliance, ownership status, and operational status and submit its findings by October 11, 2004.

On October 14, 2004 Staff filed a Notice of Submitting ADEQ Water Compliance Status Report and Request for Additional Time to Submit Supplemental Findings. Staff's filing included a copy of an ADEQ Drinking Water Compliance Status Report dated October 14, 2004, which indicated that BVWC is delivering water that meets ADEQ water quality standards. Additionally,

1 Staff requested an additional 30 days to compile the remaining information requested in the  
2 September 7, 2004 Procedural Order.

3 On November 16, 2004, Staff filed a Status Report indicating that it had discovered in the  
4 course of its investigation that BVWC had instituted an unauthorized rate increase in October 2003.  
5 Staff further indicated that Decision No. 66388 had authorized such a rate increase conditioned upon  
6 BVWC's compliance with certain Commission requirements including, but not limited to, approval  
7 of the sale of utility assets.

8 Consequently, Staff indicated that it was working with BVWC to quantify the over charges  
9 and facilitate an agreement on the refunding of those charges to the affected customers and requested  
10 90 days to finalize such an agreement.

11 On February 22, 2004, Staff filed a Staff Report by which it recommends denial of BVWC's  
12 application.

13 Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern  
14 the preparation and conduct of this proceeding.

15 IT IS THEREFORE ORDERED that the hearing shall be held on **May 9, 2005 at 10:00 a.m.**,  
16 or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street,  
17 Phoenix, Arizona 85007.

18 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,  
19 except that all motions to intervene must be filed on or before April 18, 2005.

20 IT IS FURTHER ORDERED that objections to any motions to intervene must be filed on or  
21 before April 29, 2005.

22 IT IS FURTHER ORDERED that Applicant shall provide public notice of the hearing in this  
23 matter, in the following form and style, with the heading no less than 10 point bold type and the body  
24 no less than 10 point regular type:

25 **PUBLIC NOTICE OF THE HEARING FOR BEAVER VALLEY WATER COMPANY, INC.**  
26 **FOR APPROVAL OF THE SALE OF ASSETS AND TRANSFER**  
27 **OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY**  
28 **Docket No. W-02015A-03-0724**

On October 1, 2003, Beaver Valley Water Company ("Applicant") filed an application for approval of the sale of its assets and transfer of its CC&N. The

1 application is available for inspection during regular business hours at the offices of  
2 the Commission in Phoenix, at 1200 West Washington Street, Phoenix, Arizona and  
3 at the Applicant's office, [insert office address].

4 The application, report of the Commission's Utilities Division Staff, and any  
5 written exceptions to the staff report prepared by the applicant are available for  
6 inspection during regular business hours at the offices of the Commission located at  
7 1200 West Washington Street, Phoenix, Arizona 85007, and at Applicant, [address].

8 Under appropriate circumstances, interested parties may intervene in the  
9 proceedings and participate as a party. You may have the right to intervene in the  
10 proceeding, or you may make a statement for the record. Intervention shall be in  
11 accordance with A.A.C. R14-3-105, except that all motions to intervene must be filed  
12 on or before April 18, 2005. Persons desiring to intervene must file a written motion  
13 to intervene with the Commission and send such motion to the Company or its counsel  
14 and to all parties of record, and which at the minimum, shall contain the following:

15 1. The name, address, and telephone number of the proposed intervenor and of  
16 any party upon whom service of documents is to be made if different than the  
17 intervenor.

18 2. A short statement of the proposed intervenor's interest in the proceeding  
(e.g. a customer of the company, a shareholder of the company, a competitor, etc.).

19 3. A statement certifying that a copy of the motion to intervene has been  
20 mailed to the Company or its counsel and to all parties of record in the case.

21 A.A.C. R14-3-105 shall govern the granting of motions to intervene. The  
22 granting of intervention, among other things, entitles a party to present sworn evidence  
23 at the hearing and to cross-examine other witnesses. However, failure to intervene  
24 will not preclude any interested person or entity from appearing at the hearing and  
25 making a statement on their own behalf. The hearing is scheduled to commence on  
26 **May 9, 2005 at 10:00 a.m.** at the Arizona Corporation Commission, 1200 West  
27 Washington Street, Phoenix, Arizona 85007. Please check with the Commission for  
28 any changes to the scheduled hearing date.

If you have any comments, mail them to:

The Arizona Corporation Commission  
Attention Docket Control  
re: Beaver Valley Water Company  
W-02015A-03-0724  
1200 West Washington Street  
Phoenix, Arizona 85007

If you have any questions about this application, or want information on  
intervention, you may contact the Consumer Services Section of the Commission at  
1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

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 sign language interpreter, as well as request this document in an alternative  
format, by contacting Linda Hogan, ADA Coordinator, voice phone number 602-542-  
3931. Requests should be made as early as possible to allow time to arrange the  
accommodation.

1 IT IS FURTHER ORDERED that Applicant shall cause the above notice to be mailed to its  
2 existing customers and published at least once in a newspaper of general circulation in its service  
3 territory, with publication and mailing to be completed no later than April 4, 2005.

4 IT IS FURTHER ORDERED that Applicant shall file certification of mailing and publication  
5 as soon as practicable after the mailing/publication has been completed but not later than April 22,  
6 2005.

7 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and  
8 publication of same, notwithstanding the failure of an individual customer to read or receive the  
9 notice.

10 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 – Unauthorized  
11 Communications) applies to this proceeding as the matter is now set for public hearing.

12 IT IS FURTHER ORDERED that the presiding Administrative Law Judge may rescind, alter,  
13 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by  
14 ruling at hearing.

15 DATED this 7<sup>th</sup> day of March, 2005.

17  
18   
19 AMANDA POPE  
ADMINISTRATIVE LAW JUDGE

20 Copies of the foregoing mailed/delivered  
this 7<sup>th</sup> day of March, 2005 to:

21 Edgar M. Delaney  
22 Delaney & Melkonoff, P.C.  
23 1013 East Washington  
24 Phoenix, Arizona 85034  
**Via Certified Mail**  
**Return Receipt Requested and**  
**First Class Mail**

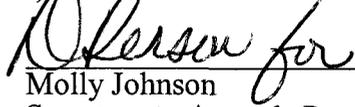
25 R.E. Ward  
26 Beaver Valley Water Company  
27 P.O. Box 9031  
28 Phoenix, Arizona 85068  
**Via Certified Mail**  
**Return Receipt Requested and**  
**First Class Mail**

1 Michael Davoren  
2 P.O. Box 421  
3 Payson, Arizona 85541  
4 **Via Certified Mail**  
**Return Receipt Requested and**  
**First Class Mail**

5 Christopher Kempley, Chief Counsel  
6 Legal Division  
7 ARIZONA CORPORATION COMMISSION  
8 1200 West Washington Street  
9 Phoenix, Arizona 85007

10 Ernest Johnson, Director  
11 Utilities Division  
12 ARIZONA CORPORATION COMMISSION  
13 1200 West Washington Street  
14 Phoenix, Arizona 85007

15 ARIZONA REPORTING SERVICE, INC.  
16 2627 N. Third Street, Ste. Three  
17 Phoenix, AZ 85004-1003

18 By:   
19 Molly Johnson  
20 Secretary to Amanda Pope  
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22  
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24  
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26  
27  
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