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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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COMMISSIONERS

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

AZ CORP COMMISSION
DOCUMENT CONTROL

DOCKETED BY [Signature]

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

DOCKET NO. W-03875A-03-0737

IN THE MATTER OF THE APPLICATION OF MOUNTAIN GLEN WATER SERVICE, INC. FOR FINANCING APPROVAL.

DOCKET NO. W-03875A-03-0870

PROCEDURAL ORDER AMENDING DECISION NO. 67163

BY THE COMMISSION:

On August 10, 2004, the Arizona Corporation Commission ("Commission") issued Decision No. 67163 approving an operating revenue increase of approximately 10 percent for Mountain Glen Water Service, Inc. ("Mountain Glen" or "Company"). That Decision denied the Company's request for authority to borrow \$786,392 from the Water Infrastructure Finance Authority ("WIFA") to purchase arsenic removal equipment until Mountain Glen submits an amended request for financing authorization, accompanied by an arsenic compliance plan based on the most efficient and cost-effective means of compliance with new U.S. Environmental Protection Agency rules that take effect in January 2006. Decision No. 67163 ordered Mountain Glen to file an arsenic removal treatment plan in this docket the earlier of December 31, 2004, or within 30 days after receiving preliminary approval of a loan from WIFA for financing arsenic treatment facilities. Decision No. 67163 also ordered that the record in this docket would remain open until December 31, 2004 for the purpose of receiving, if necessary, Mountain Glen's amended request for financing and for establishment of an arsenic surcharge, once the costs of the Company's arsenic treatment plan are known.

On December 29, 2004, Mountain Glen filed a motion to extend the deadline for compliance with the requirements of Decision No. 67163. The Company claims that it has been working diligently with WIFA and Miller Brooks Environmental, Inc. to prepare an arsenic treatment plan.

1 However, Mountain Glen states that it needs additional time to comply with the Commission's Order
2 and requests that an extension be granted until June 30, 2005 to allow the Company time to submit its
3 amended request for financing and to establish an arsenic surcharge.

4 On March 15, 2005, the Commission's Utilities Division Staff ("Staff") filed a Memorandum
5 stating that Mountain Glen's request for an extension, until June 30, 2005, is appropriate because it
6 will keep the record in this docket open in order to provide the Company an opportunity to complete
7 its arsenic treatment plan in coordination with WIFA and the consulting firm.

8 IT IS THEREFORE ORDERED that the request for an extension of time to comply with
9 Decision No. 67163 regarding the issues discussed above shall be granted. Mountain Glen shall file
10 an arsenic removal treatment plan in this docket the earlier of June 30, 2005 or within 30 days after
11 receiving preliminary approval of a loan from WIFA for financing arsenic treatment facilities.

12 IT IS FURTHER ORDERED that the record in this consolidated docket shall remain open
13 until June 30, 2005 for the purpose of receiving, if necessary, Mountain Glen's amended request for
14 financing and for establishment of an arsenic surcharge, once the costs of the Company's arsenic
15 treatment plan are known.

16 IT IS FURTHER ORDERED that in all other respects Decision No. 67163 shall remain in full
17 force and effect.

18 Dated this 5th day of April, 2005

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21 DWIGHT D. NODES
22 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

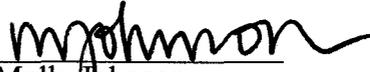
23 The foregoing was mailed/delivered
24 this 5th day of April, 2005 to:

25 Mountain Glen Water Service, Inc.
26 P.O. Box 897
27 Clay Springs, AZ 85923
28 ...
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18 By: 
19 Molly Johnson
20 Secretary to Dwight D. Nodes
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