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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

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AZ CORP COMMISSION
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Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF
LAS QUINTAS SERENAS WATER CO. FOR A
RATE INCREASE.

DOCKET NO. W-01583A-04-0178

PROCEDURAL ORDER

BY THE COMMISSION:

On May 2, 2005 and May 12, 2005, Las Quintas Serenas Water Company ("LQS" or "Company") made four filings with the Arizona Corporation Commission ("Commission"). Those four filings are inter-related. First, LQS made a financing application to incur up to \$1,789,375 in long-term debt in order to make capital improvements to address the new arsenic standards and other water system improvements (Docket No. W-01583A-05-0326).

Second, LQS filed a new application to re-open the record in its most recent rate case (Docket No. W-01583A-04-0178) and amend Decision No. 67455, so that the debt financing could be included in present rates for capital improvements not related to arsenic treatment (Docket No. W-01583A-05-0339).

Third, LQS made a new application to amend Decision No. 67455 so that the arsenic treatment costs related to the debt financing could be recovered through an Arsenic Recovery Mechanism ("ACRM") (Docket No. W-01583A-05-0340).

Fourth, LQS filed a Motion to re-open the recent rate case (Docket No. W-01583-04-0178).

On May 23, 2005, Commission Utilities Division Staff ("Staff") filed a Response in Docket No. W-01583A-04-0178. Staff does not oppose the request to re-open the rate case docket for the sole purpose to address arsenic costs and recovery, but opposes re-opening the rate case for any other reason.

1 A Procedural Conference with the purpose of determining whether any of the affected dockets
2 may be consolidated or closed and to establish other procedural guidelines will facilitate the
3 administration of this proceeding.

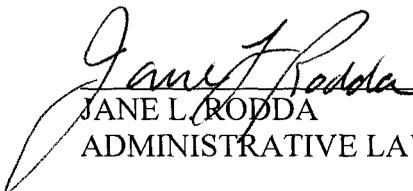
4 IT IS THEREFORE ORDERED that a **Procedural Conference** in the above-captioned
5 matter shall commence on **June 16, 2005, at 1:30 p.m.**, or as soon thereafter as is practical, at the
6 Commission's offices, **Room 222**, 400 West Congress, Tucson, Arizona 85701.

7 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
8 Communications) applies to this proceeding and shall remain in effect until the Commission's
9 Decision in this matter is final and non-appealable.

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

12 DATED this 15th day of June, 2005.

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JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed
this 15th day of June, 2005 to:

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By: 
Juanita Gomez
Secretary to Jane L. Rodda