

ORIGINAL NEW APPLICATION



0000023671

BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

JEFF HATCH-MILLER - Chairman

WILLIAM A. MUNDELL

MARC SPITZER

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KRISTIN K. MAYES

2005 JUL 14 1P 3: 51

AZ CORP COMMISSION
DOCUMENT CONTROL

6	IN THE MATTER OF THE DETERMINATION)	DOCKET NOS.	W-01646A-05-0509
7	OF A HOOK-UP MORATORIUM FOR)		W-01868A-05-0509
8	MIRACLE VALLEY WATER COMPANY,)		W-02235A-05-0509
9	COCHISE WATER COMPANY, HOURS SHOE)		W-02316A-05-0509
10	RANCH WATER COMPANY, CRYSTAL)		W-02230A-05-0509
11	WATER COMPANY, MUSTANG WATER)		W-01629A-05-0509
12	COMPANY, CORONADO ESTATES WATER)		W-02240A-05-0509
13	COMPANY AND SIERRA SUNSET WATER)		
14	COMPANY, ALL OWNED BY JOHNNY A.)	MOTION TO OPEN DOCKET AND	
15	MCLAIN.)	REQUEST FOR PROCEDURAL	
16)	CONFERENCE	

The Arizona Corporation Commission ("Commission") has directed its Staff to open a docket to determine the feasibility of a hook-up moratorium for the seven McLain water systems – Miracle Valley, Cochise, Horseshoe Ranch, Crystal, Mustang, Coronado Estates, and Sierra Sunset ("McLain water systems"). The situation for McLain water systems' customers becomes even more serious with each passing day. Outages for all seven systems have become more frequent and more intense as the McLain water systems' infrastructure continues to break down. Meanwhile, consummating the Purchase and Sale Agreement approved by the Bankruptcy Court will take time, given the need to determine the rate base value of the McLain water systems currently in operation. The Commission has directed – and Staff will request – that a docket be opened to deal with the rate base value issue.

Given the dire situation of the McLain water systems, a hook-up moratorium may need to be imposed for the public interest. The purpose of this docket is to provide a forum to determine whether such a moratorium is necessary and appropriate and include the discussion of the effective date and duration of such a moratorium.

Staff believes that a procedural conference on this matter should be convened as soon as possible. This is because of the increasingly dire situation plaguing McLain water system customers. A procedural conference to fashion a framework for addressing the hook-up moratorium issue to be

1 contained in this docket is necessary. Because the issue of the hook-up moratorium can be decided
2 more expediently as a separate docket than if combined with the "rate base value docket" for the
3 McLain water systems, and because the hook-up moratorium issue is not dependent on the rate base
4 value issue, Staff believes the hook-up moratorium issue should be adjudicated as a separate docket.

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6 RESPECTFULLY SUBMITTED this 14th day of July, 2005.

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12 The original and thirteen (13) copies
13 of the foregoing were filed this 14th
14 day of July 2005 with:

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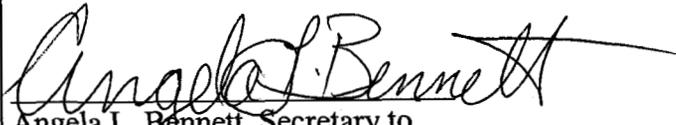
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