



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

2005 AUG 26 A 10: 07

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
PINEVIEW WATER COMPANY, INC. FOR
AUTHORITY TO ISSUE PROMISSORY NOTE(S)
AND OTHER EVIDENCE OF INDEBTEDNESS
PAYABLE AT PERIODS OF MORE THAN
TWELVE MONTHS AFTER THE DATE OF
ISSUANCE.

DOCKET NO. W-01676A-04-0463

IN THE MATTER OF THE APPLICATION OF
PINEVIEW WATER COMPANY, INC. FOR AN
INCREASE IN ITS WATER RATES FOR
CUSTOMERS WITHIN NAVAJO COUNTY,
ARIZONA.

DOCKET NO. W-01676A-04-0500

PROCEDURAL ORDER

BY THE COMMISSION:

On June 18, 2004, Pineview Water Company ("Pineview") filed the above-captioned application with the Arizona Corporation Commission ("Commission") for authority to issue promissory note(s) and other evidences of indebtedness payable at periods of more than twelve months after the date of issuance not to exceed \$730,978.

On July 9, 2004, Pineview filed the above-captioned rate application with the Commission.

The matters were consolidated on January 12, 2005. A hearing was held on the consolidated applications on February 24 and 25, and March 3, 2005.

On July 18, 2005, the Commission issued Decision No. 67989 in the consolidated dockets. Among other things, the Decision authorized Pineview to issue up to \$577,578 in long term debt from the Arizona Water Infrastructure Financing Authority ("WIFA") on the terms proposed by the Company, for a term not to exceed twenty years and at an interest rate not to exceed 4.20 percent, for the purposes of funding capital projects as described in Findings of Fact No. 38 of the Decision.

On August 25, 2005, Pineview filed a Motion for an Order Nunc Pro Tunc ("Motion"). Pineview states in the Motion that the applicable WIFA interest rate is no longer 4.20 percent, but is

1 now instead 6.20 percent. Pineview asserts that the increase in the interest rate will not substantially
2 or adversely impact its cash flows, its ability to perform under the loan, or its ability to fulfill its
3 public service obligations. Pineview requests that Decision No. 67989 be amended, nunc pro tunc, to
4 strike "4.20 percent" and insert "Prime Rate plus 2.0 percent" on page 36, line 8, and requests that an
5 Order Nunc Pro Tunc be issued in time to accommodate WIFA's approval of the loan during its
6 September funding cycle.

7 The financing authorization granted in Decision No. 67989 was based on the financial
8 analysis of the Commission's Utilities Division Staff ("Staff"). Staff's recommendation was that the
9 requested financing be approved "on the terms and conditions consistent with or better than those
10 used in Staff's pro forma analysis" (Direct Testimony of J.H. Johnson, Exh. S-12 at 2). Staff's pro
11 forma analysis was based on an interest rate of 5.60 percent (Exh. S-12, at p. 2 of attached Exhibit
12 A).

13 IT IS THEREFORE ORDERED that the Commission's Utilities Division Staff shall file a
14 response to Pineview Water Company's Motion for an Order Nunc Pro Tunc on or before September
15 9, 2005. The response shall include an analysis of and recommendation on Pineview's request.

16 Dated this 26th day of August, 2005

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19 
20 TEENA WOLFE
ADMINISTRATIVE LAW JUDGE

21 The foregoing was mailed/delivered
22 this 26 day of August, 2005 to:

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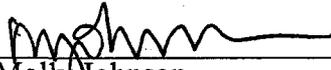
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9
10 By: 
Molly Johnson
11 Secretary to Teena Wolfe

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