

ORIGINAL



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MEMORANDUM

TO: Docket Control  
Arizona Corporation Commission

FROM: Ernest G. Johnson  
*for* Director  
Utilities Division

Date: September 12, 2005

RE: STAFF REPORT FOR APPLICATION OF HO-TYE WATER COMPANY FOR APPROVAL OF SALE OF ASSETS AND/OR TRANSFER OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY TO WOODY'S ENTERPRISES, LTD. (DOCKET NOS. W-02054A-97-0127 AND W-03340A-97-0127)

Attached is the Staff Report for the application of Ho-Tye Water Company for approval of a sale of assets and transfer of its CC&N to Woody's Enterprises, Ltd. Staff recommends approval of the transfer.

EGJ:BNC:red

Originator: Linda A. Jaress

Attachment: Original and 13 Copies

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2005 SEP 12 P 4:40  
AZ CORP COMMISSION  
DOCUMENT CONTROL

Service List for: Ho-Tye Water Company  
Docket Nos. W-02054A-97-0127 and W-03340A-97-0127

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Chief, Hearing Division  
Arizona Corporation Commission  
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Phoenix, Arizona 85007

STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION

HO-TYE WATER COMPANY  
DOCKET NOS. W-02054A-97-0127 AND W-03340A-97-0127

APPLICATION FOR SALE OF ASSETS AND TRANSFER OF ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY AND ASSETS  
TO  
WOODY'S ENTERPRISES, LTD.

SEPTEMBER 12, 2005

## STAFF ACKNOWLEDGMENT

The Staff Report for Ho-Tye Water Company (Docket No. W-02054A-97-0127 and W-03340A-97-0127) was prepared by the Staff member shown below.

A handwritten signature in cursive script that reads "Linda A. Jaress".

Linda A. Jaress  
Executive Consultant III

On March 12, 1997, Ho-Tye Water Company ("Ho-Tye") filed an application for approval of the sale of assets and/or transfer of its Certificate of Convenience and Necessity ("CC&N") to Woody's Enterprises, Ltd. ("Woody's"). On the date of filing, Ho-Tye served four customers in Wikieup, Arizona in Mohave County. Attached as Exhibit 1 is a map of the certificated area. To aid the reader, the area at issue is in Section 27. After the transfer, the company name would remain "Ho-Tye".

On April 18, 1997, Ho-Tye filed the public notice it delivered to its customers regarding the sale and transfer and an Affidavit of Publication of the notice which was published in the Kingman Daily Miner on April 6, 1997. Since then, there has been no activity in these dockets. On August 22, 2005, an Administrative Law Judge issued a Procedural Order, ordering Staff to "make a filing updating the Commission on the status of this matter or close the file administratively" no later than September 12, 2005.

Staff contacted the General Manager of the company who said that the transfer was completed without Commission approval. He also said that the company is currently serving four customers.

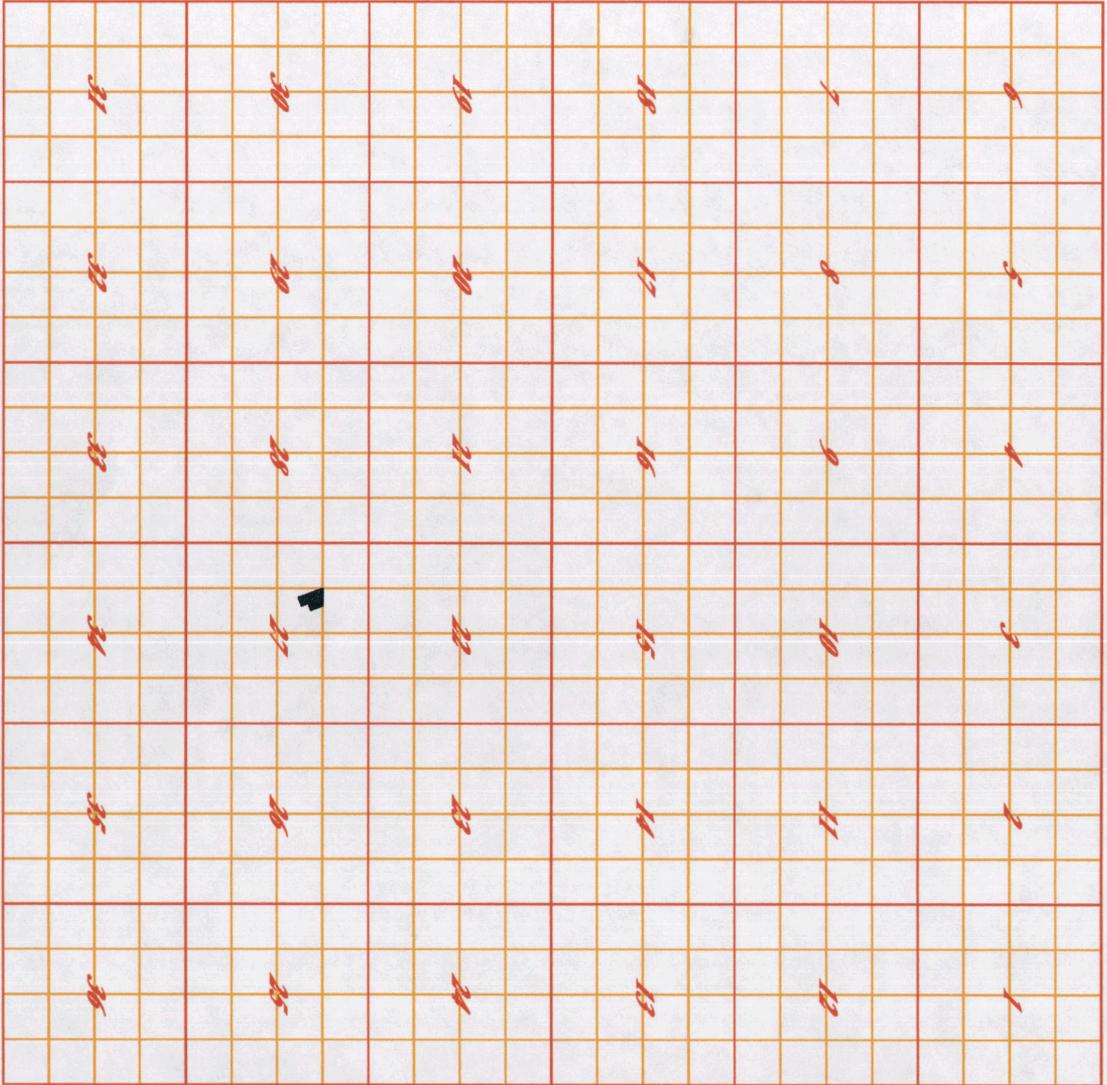
The Consumer Services Section has logged no complaints under the names Ho-Tye or Woody's Enterprises over the past three years. The Compliance Section reports no delinquencies. With less than 15 customers, this company does not fall under the jurisdiction of the Arizona Department of Environmental Quality and is not subject to the new arsenic standards. Woody's is in good standing with the Corporations Division and files timely Annual Reports with the Utilities Division.

Under the unusual circumstances of this case, Staff recommends approval of the transfer of assets and CC&N from Ho-Tye to Woody's and staff further recommends that the Commission's Open Meeting be considered the hearing required for approval. This recommendation is based upon the age of the case, the costs of a formal hearing, the small number of customers, the lack of customer complaints and the limited opportunity for the Company to expand.

# COUNTY

*Mohave*

**RANGE 13 West**



**TOWNSHIP 16 North**



W-2054 (1)

Ho-Iye Water Company

Ho-Iye Water Company  
Docket No. U-2054-97-127  
Application to Transfer to  
Woody's Enterprises Ltd.  
Docket No. U-3340-97-127