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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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8 IN THE MATTER OF THE APPLICATION OF
9 THE WHISPERING PINES FIRE DISTRICT FOR
10 A VARIANCE TO THE MORATORIUM ON NEW
11 SERVICE CONNECTIONS FOR PAYSON
12 WATER COMPANY'S GERONIMO SYSTEM.

DOCKET NO. W-03514A-05-0729

PROCEDURAL ORDER

9 **BY THE COMMISSION:**

10 On April 11, 2005, the Arizona Corporation Commission ("Commission") issued Decision
11 No. 67747. That Decision granted a variance to the existing moratorium on new water service
12 connections for Payson Water Company's Geronimo System ("Payson Water" or "Company") to a
13 single customer, but directed that no additional variances would be granted until the Company had
14 conducted a 12-month system monitoring exercise to determine available system capacity.

15 In Decision No. 68232 (October 25, 2005), the Commission denied a prospective customer's
16 request for a variance to the moratorium, without prejudice (Docket No. W-03514A-05-0352).
17 During the October 18, 2005 Open Meeting discussion regarding Docket No. W-03514A-05-0352,
18 the Commission directed the Utilities Division Staff ("Staff") to explore whether the 12-month water
19 usage study could be shortened in order to accommodate a request for service by the Whispering
20 Pines Fire District ("WPF") made prior to the Open Meeting. During the discussion,
21 Commissioners also suggested that other customer service requests should be considered in the
22 context of a new docket to be opened to consider the WPF variance request.

23 On October 19, 2005, Harry D. Jones, on behalf of the WPF, filed in the above-captioned
24 docket a request for a variance from the existing moratorium on new service connections.

25 By Procedural Order issued November 7, 2005, Staff was directed to contact the Company to
26 review the status of the system monitoring exercise ordered in Decision No. 67747 in order to
27 determine whether it is reasonable to shorten the system monitoring exercise for purposes of
28 evaluating available system capacity. Staff was also directed to prepare a Staff Report by November

1 21, 2005 that included, at a minimum, a recommendation regarding available capacity and whether it
2 is in the public interest to grant additional variances to the current moratorium.

3 On November 21, 2005, Staff filed a Staff Report. On the same date, Staff filed a Request to
4 Withdraw the Staff Report. In its Request to Withdraw, Staff stated that it has "learned that some of
5 the critical information that Payson Water provided to Staff was not accurate." Staff further indicated
6 that it intended to file a corrected Staff Report as soon as possible after receiving correct information
7 from the Company.

8 After issuance of the November 7, 2005 Procedural Order, a number of requests for
9 intervention have been filed in this docket. The intervention requests filed to date are as follows: Joe
10 Brown, on behalf of the Geronimo Properties Homeowners Association (November 18 and 21, 2005);
11 Daniel and Jody Welsch (November 18 and 22, 2005); Jim Dunne (November 21 and 22, 2005);
12 Steven Prahin (November 21, 2005); Jerry and Marda Larson (November 21, 2005); Randy Bonds
13 (November 21, 2005); John Swanson (November 21, 2005); Randall Kincaid (December 6, 2005);
14 and James Dye (December 6, 2005).

15 On December 21, 2005, Staff filed its Revised Staff Report. Based on the information
16 available to Staff, it concluded that the Geronimo System currently has 77 active meters, and 6
17 additional meters are inactive, have no usage, or have been pulled. Staff believes the system could
18 support up to 92 total connections and Staff suggested several options for the Commission to consider
19 for allowing additional service connections depending on assumptions regarding the inactive meters.
20 Staff also recommended that the WPFDD should be given the highest priority for connection to the
21 system, and that additional connections should be granted on a first-come first-served basis. Staff
22 further recommended that Payson Water should be ordered to immediately begin searching for new
23 water sources, and should investigate two possible water sources identified by the WPFDD.

24 IT IS THEREFORE ORDERED that a **hearing** in the above-captioned matter shall
25 commence on **February 8, 2006, at 10:00 a.m.**, at the Commission's offices, 1200 W. Washington
26 Street, Phoenix, Arizona.

27 IT IS THEREFORE ORDERED that intervention in this proceeding is granted to the
28 following persons: Joe Brown; Daniel and Jody Welsch; Jim Dunne; Steven Prahin; Jerry and Marda

1 Larson; Randy Bonds; John Swanson; Randall Kincaid; and James Dye.

2 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
3 this matter, in the following form and style with the heading in no less than 24 point bold type and the
4 body in no less than 10 point regular type:

5
6 **PUBLIC NOTICE OF HEARING ON THE REQUEST FOR A**
7 **VARIANCE TO MORATORIUM ON NEW SERVICE**
8 **CONNECTIONS FOR PAYSON WATER**
9 **COMPANY'S GERONIMO SYSTEM**
10 **(DOCKET NO. W-3514A-05-0729)**

11 On October 19, 2005, Harry D. Jones, on behalf of the Whispering Pines Fire District
12 ("WPF"), filed a request for a variance from the existing moratorium on new service
13 connections for Payson Water Company's Geronimo System ("Payson Water" or
14 "Company"). On December 21, 2005, the Commission's Utilities Division Staff
15 ("Staff") filed its Revised Staff Report. Based on the information available to Staff, it
16 concluded that the Geronimo System currently has 77 active meters, and 6 additional
17 meters are inactive, have no usage, or have been pulled. Staff believes the system
18 could support up to 92 total connections and Staff suggested several options for the
19 Commission to consider for allowing additional service connections depending on
20 assumptions regarding the inactive meters. Staff also recommended that the WPF
21 should be given the highest priority for connection to the system, and that additional
22 connections should be granted on a first-come first-served basis. Several area property
23 owners have requested intervention and have been granted intervention in this
24 proceeding.

25 The Commission will hold a hearing on this matter beginning **February 8, 2006, at**
26 **10:00 a.m.**, at the Commission's offices, 1200 West Washington, Phoenix, Arizona.
27 Public comments will be taken on the first day of the hearing.

28 The law provides for an open public hearing at which, under appropriate
circumstances, interested parties may intervene. Intervention shall be permitted to any
person entitled by law to intervene and having a direct and substantial interest in the
matter. Persons desiring to intervene must file a written motion to intervene with the
Commission, which motion should be sent to Payson or its counsel and to all parties of
record, and which, at the minimum, shall contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer of the Payson, a stockholder of Payson, etc.).
3. A statement certifying that a copy of the motion to intervene has been mailed to Payson or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before February 1, 2006. The granting of intervention, among other things, entitles a party to present sworn evidence

at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any customer from appearing at the hearing and making a statement on such customer's own behalf.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may write the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000 or appear at the hearing and make comment.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Linda Hogan, ADA Coordinator, voice phone number 602/542-3931, E-mail lhogan@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that the Payson Water shall mail to each of its Geronimo System customers a copy of the above notice and shall cause the above notice to be published at least once in a newspaper of general circulation in its service territory, with mailing/publication to be completed no later than **January 20, 2006**.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing/publication of same, notwithstanding the failure of an individual customer to read or receive the notice.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized Communications) applies to this proceeding as the matter is now set for public hearing.

IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

Dated this 4th day of January, 2006



DWIGHT D. NODES
ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered this 4th day of January, 2006 to:

Payson Water Company
c/o Brooke Utilities, Inc.
P.O. Box 82218
Bakersfield, CA 93380-2218

Harry D. Jones
Whispering Pines Fire District
HC8 Box 701A
Payson, AZ 85541

1 Joe Brown, President
2 Geronimo Properties Homeowners
3 Association
4 HC-8 Box 422
5 Payson, AZ 85541

6 Daniel and Jody Welsch
7 10805 W Alvarado Rd
8 Avondale, AZ 85323

9 Jim Dunne
10 119 West 3rd Place
11 Mesa, AZ 85201

12 Steven P. Prahin
13 2777 E. 13th Ave.
14 Apache Junction, AZ 85219

15 Jerry and Marda Larson
16 P.O. Box 3289
17 Gilbert, AZ 85299-3289

18 Randy Bonds
19 BRIC International, LLC
20 10150 E. Cortez Dr.
21 Scottsdale, AZ 85260

22 John Swanson
23 4841 W. Mercer Lane
24 Glendale, AZ 85304-4333

25 Randall L. Kincaid
26 8548 E. Camino de los Ranchos
27 Scottsdale, AZ 85254

James Dye
HC-8 Box 449
Payson, AZ 85541

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ARIZONA REPORTING SERVICE, INC.
2627 N. Third Street, Suite Three
Phoenix, Arizona 85004-1104

By: 
Molly Johnson
Secretary to Dwight D. Nodes

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