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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF:

DOCKET NO. W-01445A-06-0200
SW-20445A-06-0200
W-20446A-06-0200
SW-03576A-06-0200
SW-03575A-06-0200

ARIZONA WATER COMPANY, AN ARIZONA CORPORATION,

Complainant

vs.

GLOBAL WATER RESOURCES, LLC, A FOREIGN LIMITED LIABILITY COMPANY; GLOBAL WATER RESOURCES, INC., A DELAWARE CORPORATION; GLOBAL WATER MANAGEMENT, LLC, A FOREIGN LIMITED LIABILITY COMPANY; SANTA CRUZ WATER COMPANY, LLC, AN ARIZONA LIMITED LIABILITY CORPORATION; PALO VERDE UTILITIES COMPANY, LLC, AN ARIZONA LIMITED LIABILITY CORPORATION; GLOBAL WATER – SANTA CRUZ WATER COMPANY, AN ARIZONA CORPORATION; GLOBAL WATER – PALO VERDE UTILITIES COMPANY, AN ARIZONA CORPORATION; JOHN AND JANE DOES 1-20; ABC ENTITIES I-XX.

Respondents.

Arizona Corporation Commission

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PROCEDURAL ORDER

BY THE COMMISSION:

On March 29, 2006, Arizona Water Company (“AWC”) filed a complaint against Global Water Resources, LLC, Global Water Resources, Inc., Global Water Management, LLC, Santa Cruz Water Company, LLC, Palo Verde Utilities Company, LLC, Arizona Global Water – Santa Cruz Water Company and Arizona Global Water – Palo Verde Utilities Company (collectively “Respondents”).

On April 24, 2006, the Respondents filed an Answer to the Complaint and a Motion to Dismiss.

On May 4, 2006, Casa Grande Mayor Chuck Walton filed a letter stating that the City of Casa

1 Grande ("City") is working with both AWC and the Respondents to accomplish the City's water
2 service goals. The letter requested that the allegations in Paragraphs 42 and 55 of AWC's Complaint
3 be removed.

4 On May 15, 2006, AWC filed a Response to the Respondents' Motion to Dismiss. In its
5 Response, AWC requests that the Motion to Dismiss be denied and that the matter be set for an order
6 to show cause hearing.

7 By Procedural Order issued May 17, 2006, a procedural conference was scheduled for June
8 15, 2006.

9 The procedural conference was held as scheduled on June 15, 2006. A number of procedural
10 issues were discussed, including the Respondents' Motion to Dismiss; the interaction between this
11 Complaint docket and Docket No. W-00000C-06-0149 (In the Matter of the Commission's Generic
12 Evaluation of the Regulatory Impact From the Use of Non-Traditional Financing Arrangements by
13 Water Utilities and Their Affiliates) ("Generic Docket"); and the Commission's authority to invoke
14 injunctive relief against the Respondents' unregulated affiliates. Following the discussion, the
15 Administrative Law Judge denied the Motion to Dismiss and directed the parties to file briefs on the
16 injunctive relief issue by July 7, 2006 (Tr. 55, 62).

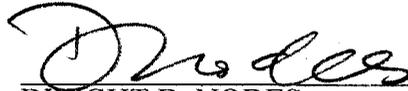
17 During the procedural conference, the Commission's Utilities Division Staff ("Staff")
18 represented that it was processing the above-referenced Generic Docket on an expedited basis, and
19 that Staff expected to bring its recommendation before the Commission sometime in August 2006
20 (Tr. 29). As a result, AWC agreed with Staff's recommendation to hold its Complaint in abeyance
21 pending the Commission's consideration of the issues presented in the Generic Docket (Tr. 55).

22 On July 7, 2006, AWC, the Respondents, and Staff filed briefs regarding the advisability of
23 invoking injunctive relief regarding the activities of the Respondents' unregulated affiliates and the
24 Commission's authority to do so in this proceeding.

25 IT IS THEREFORE ORDERED that, in accordance with the ruling during the June 15, 2006
26 procedural conference, the Respondents' Motion to Dismiss is denied and AWC's Complaint shall be
27 held in abeyance pending the Commission's consideration of the issues raised in the above-
28 referenced Generic Docket.

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

4 Dated this 14th day of July, 2006

5
6 

7 DWIGHT D. NODES
8 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered
this 14 day of July, 2006 to:

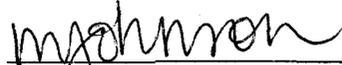
10 Robert W. Geake
11 ARIZONA WATER COMPANY
12 3805 N. Black Canyon Highway
Phoenix, AZ 85015

Christopher Kempley, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

13 Steven A. Hirsch
14 Rodney W. Ott
15 BRYAN CAVE, LLP
16 Two N. Central Avenue, Ste. 2200
17 Phoenix, AZ 85004
18 Attorneys for Arizona Water Company

Ernest G. Johnson, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, AZ 85007

16 Michael W. Patten
17 ROSHKA DeWULF & PATTEN, PLC
18 400 East Van Buren Street, Ste. 800
Phoenix, AZ 85004
Attorneys for Respondents

By: 
Molly Johnson
Secretary to Dwight D. Nodes

19 Mayor Chuck Walton
20 City of Casa Grande
21 510 East Florence Blvd.
Casa Grande, AZ 85222