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BEFORE THE ARIZONA CORPORATION COMMISSION
Arizona Corporation Commission

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COMMISSIONERS

DOCKETED

2007 JAN 25 P 1: 58

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
GARY PIERCE

DOCKETED BY
Mll

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
UTILITY SOURCE, LLC. FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PROPERTY AND FOR
AN INCREASE IN ITS WATER AND
WASTEWATER RATES AND CHARGES FOR
UTILITY SERVICES.

DOCKET NO. WS-04235A-06-0303

PROCEDURAL ORDER

BY THE COMMISSION:

On May 1, 2006, Utility Source, LLC ("Utility Source" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a determination of the current fair value of its utility plant and property and for increases in its rates and charges for water and wastewater utility service provided to customers in the Company's service area in Coconino County, Arizona.

By Procedural Order issued December 20, 2006, the evidentiary hearing in this matter was rescheduled from January 22, 2007, to April 3, 2007, and other procedural deadlines were established.

After receiving a number of customer requests for a hearing in Flagstaff, the Commission has scheduled a public comment session.

IT IS THEREFORE ORDERED that a public comment session shall be held on **March 19, 2007, at 5:00 p.m.** at the following location:

**Coconino County Board of Supervisors Meeting Room
219 East Cherry
Flagstaff, Arizona 86001**

IT IS FURTHER ORDERED that Utility Source shall cause the following notice of the public comment session to be sent to each of its customers by bill insert or direct mailing, and published at least once in a newspaper of general circulation in the service area, with mailing/publication to be completed no later than March 2, 2007:

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**NOTICE OF PUBLIC COMMENT SESSION ON THE
APPLICATION OF UTILITY SOURCE, LLC, FOR
AN INCREASE IN ITS RATES FOR WATER AND WASTEWATER SERVICE
(DOCKET NO. WS-04235A-06-0303)**

On May 1, 2006, Utility Source, LLC ("Company") filed with the Arizona Corporation Commission ("Commission") an application for an increase in operating income. Under the Company's proposal, a typical residential customer's bill for water service (based on usage of 4,740 gallons per month) would increase from current charges of \$19.90 per month to \$66.13 per month (approximately 232 percent). Under the Company's proposal, a typical residential customer's bill for wastewater service (based on water usage of 4,740 gallons per month) would increase from current charges of \$12.94 per month to \$34.51 per month (approximately 167 percent). The evidentiary hearing is scheduled for April 3, 2007 in Phoenix, Arizona. The Commission is not bound by the proposals made by the Company, Staff, or any intervenors and, therefore, the final rates approved in this docket may be lower or higher than the rates described above. Copies of the application and proposed tariffs are available at the Company's offices [insert address] and on the internet via the Commission website (www.azcc.gov) using the e-docket function.

The Commission will hold a **PUBLIC COMMENT SESSION** on **March 19, 2007, at 5:00 p.m.**, at the following location:

**Coconino County Board of Supervisors Meeting Room
219 East Cherry
Flagstaff, Arizona 86001**

Public comment sessions are formal proceedings and all comments will be tape recorded or transcribed by a court reporter. The Commissioners may limit the duration of each individual's comments to allow everyone a fair opportunity to speak. If you wish to file written comments on the application, or want further information you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007, or call 1-800-222-7000.

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 the ADA Coordinator, Linda Hogan, at LHogan@azcc.gov, voice phone number 602/542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized Communications) applies to this proceeding and shall remain in effect until the Commission's Decision in this matter is final and non-appealable.

IT IS FURTHER ORDERED that all parties must comply with Rule 33 (c) and (d) of the Rules of the Arizona Supreme Court with respect to practice of law and admission pro hac vice.

1 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
2 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
3 Rules of the Arizona Supreme Court). Representation before the Commission includes the obligation
4 to appear at all hearings and procedural conferences, as well as all Open Meetings for which the
5 matter is scheduled for discussion, unless counsel has previously been granted permission to
6 withdraw by the Administrative Law Judge.

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

10 Dated this 25th day of January, 2007



DWIGHT D. NODES
ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

15
16 Copies of the foregoing mailed/delivered
this 25th day of January, 2007 to:

17
18 Richard L. Sallquist
SALLQUIST, DRUMMOND & O'CONNOR
4500 S. Lakeshore Drive, Ste. 339
19 Tempe, AZ 85282
Attorneys for Utility Source, LLC

Christopher Kempley, Chief Counsel
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ARIZONA CORPORATION COMMISSION
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Phoenix, AZ 85007

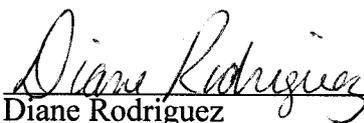
20
21 Utility Source, LLC
721 E. San Pedro
Gilbert, AZ 85234

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

22
23 Ponderosa Fire District
c/o Starr Lanphere, Board Chairman
P.O. Box 16359
24 Bellemont, AZ 86015

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

25
26 David Hitesman
4661 N. Bellemont Springs
Bellemont, AZ 86015

By: 
Diane Rodriguez
Secretary to Dwight D. Nodes

27
28 Dennis Jones
11573 W. Cove Crest
Bellemont, AZ 86015