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MARC SPITZER - Chairman
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KRISTIN K. MAYES

2004 JAN - 7 P 3: 07

Arizona Corporation Commission
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JAN - 7 2004

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
MOUNT TIPTON WATER COMPANY, INC.
FOR AN EMERGENCY RATE INCREASE.

DOCKET NO. W-02105A-03-0805

**STAFF'S MOTION FOR
CLARIFICATION AND EXCEPTION**

The Utilities Division Staff ("Staff") of the Arizona Corporation Commission ("Commission") respectfully now come to provide a clarification and exception to the proposed opinion and order in the above listed matter.

CLARIFICATION

The recommended opinion describes the specific dollar amounts of Staff's recommended emergency rates in paragraph 25 on page 5 of the opinion. The specific dollar amounts are accurately stated as: a monthly surcharge of \$8.11 for metered customers and a surcharge of \$1.20 per 1,000 gallons for all standpipe customers. However, Staff wishes to clarify the recommendation Staff made at hearing with regard to the duration of the rates. At hearing, Staff admitted exhibit S-3 to demonstrate, in part, the estimated amount of revenue Mount Tipton Water Company ("Applicant") would receive from the emergency rates assuming rates were in effect for four months. Staff assumed duration of four months in the exhibit's calculations because, at the time of the hearing, four months was the estimated time to complete the permanent rate application¹ arising out of Docket No. W-02105A-03-0303. However, Staff's recommendation, at hearing, was for the emergency rates to remain in effect until new permanent rates become effective.

At the time of the hearing, Staff had not had an opportunity to complete its sufficiency review of the permanent rate application. On January 6, 2004, Staff filed a request in the

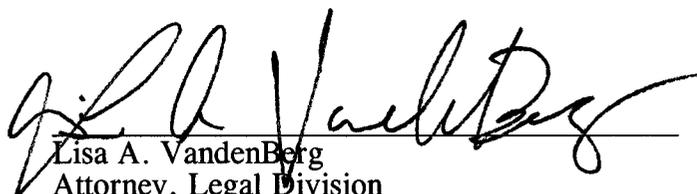
¹ The estimated length to complete the permanent rate application pursuant to the time guidelines set out in Arizona Administrative Code ("ACC") Rule 14-2-103 (B) (11) (d).

1 permanent rate application docket for an extension of time² for 60 days. Considering the potential
2 for a 60 day delay to the issuance of a permanent rate order, Staff respectfully recommends an
3 amendment to the proposed order.

4 **EXCEPTION**

5 Staff recognizes the Commission's need for a date certain for the expiration of the
6 emergency rates which the proposed order in its current form accomplishes. However, Staff
7 continues its stated purpose for recommended emergency rates, which is, to ensure that the
8 Applicant has the necessary funds to service the loan agreement with the Water Infrastructure
9 Finance Authority of Arizona ("WIFA") until a permanent rate order is effective³. Thus Staff
10 recommends the second ordering paragraph order emergency rates remain in effect for a period of
11 six consecutive months or until permanent rates become effective arising out of Docket No. W-
12 02105A-03-0303, whichever comes first.

13
14 RESPECTFULLY SUBMITTED this 7th day of January 2004.

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18 Lisa A. Vandenberg
19 Attorney, Legal Division
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21 The original and thirteen (13) copies
22 of the foregoing were filed this
7th day of January, 2004 with:

23 Docket Control
24 Arizona Corporation Commission
1200 West Washington Street
25 Phoenix, Arizona 85007

26 Copies of the foregoing were
mailed this 7th day of January, 2004 to:

27 ...

28 _____
² Pursuant to Arizona Administrative Code R 14-2-103 (B) (11).

³ see paragraph 28 of the opinion.

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