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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

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AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF
CEDAR GROVE WATER COMPANY TO
EXTEND ITS EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY IN APACHE
COUNTY.

DOCKET NO. W-02597A-04-0456

PROCEDURAL ORDER

BY THE COMMISSION:

In Decision No. 68304 (November 14, 2005) the Arizona Corporation Commission ("Commission") approved the application of Cedar Grove Water Company ("Cedar Grove") for an extension of its Certificate of Convenience and Necessity ("CC&N") to provide water service in Apache County. Decision No. 68304 required Cedar Grove to file, within 365 days of the Decision, a copy of the Approval to Construct ("ATC"), issued by the Arizona Department of Environmental Quality ("ADEQ") for the extension facilities.

On December 4, 2006, Cedar Grove, filed a memorandum in this docket requesting a 180-day extension to comply with Decision No. 68304 and specifically to file a copy of the ADEQ ATC.

On December 18, 2006, Cedar Grove docketed a letter which provided additional information in support of its request for an extension of time to comply with Decision No. 68304.

On December 21, 2006, the Commission Utilities Division ("Staff") docketed a letter requesting that by January 8, 2007, Cedar Grove update the Commission on the status of the ATC and requesting Cedar Grove provide a detailed explanation for the request for extension of time to comply with Decision No. 68304.

On February 23, 2007, Staff filed a memorandum discussing Cedar Grove's request for extension of time to comply with Decision No. 68304. Staff stated that Cedar Grove informed Staff that it originally believed it could get a waiver of the ATC from ADEQ because the total cost for the facilities in the extension area was less than \$50,000. According to Staff, ADEQ informed Cedar

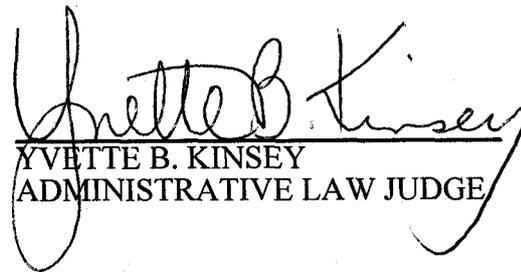
1 Grove that it still needed an ATC and Cedar Grove informed Staff that it is preparing a filing for
2 ADEQ to obtain the ATC. Staff recommends granting Cedar Grove a 180-day extension or until
3 May 31, 2007, to file a copy of the ATC required in Decision No. 68304; however, Staff noted that
4 Cedar Grove "should have taken action sooner to obtain the ATC or seek its waiver if it thought it
5 could be obtained." Staff further recommends that no additional time extension should be granted for
6 Cedar Grove to file a copy of its ATC and that Cedar Grove should be put on notice that the
7 Commission may impose fines and/or other appropriate sanctions should Cedar Grove fail to comply
8 with the May 31, 2007, deadline.

9 IT IS THEREFORE ORDERED that the compliance deadline as outlined in Decision No.
10 68304 for Cedar Grove to file a copy of the ATC issued by ADEQ for the extension area, is hereby
11 extended until May 31, 2007.

12 IT IS FURTHER ORDERED that Cedar Grove shall not be granted any additional extensions
13 of time to file a copy of the ATC for the extension area.

14 IT IS FURTHER ORDERED that if Cedar Grove fails to comply with the May 31, 2007,
15 deadline to file a copy of the ATC, the Commission may impose fines and/or other appropriate
16 sanctions in this matter.

17 DATED this 20th day of March, 2007.

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YVETTE B. KINSEY
ADMINISTRATIVE LAW JUDGE

22 Copies of the foregoing mailed/delivered
23 this 20th day of March, 2007 to:

24 Mark Grapp
25 Cedar Grove Water Company
26 P.O. Box 1270
27 Phoenix, Arizona 85902

28 Christopher Kempley, Chief Counsel
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1 Ernest G. Johnson, Director
2 Utilities Division
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6 By:


7 Diane Rodriguez
8 Secretary to Yvette B. Kinsey
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