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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

Arizona Corporation Commission

DOCKETED

MAY 21 2007

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AZ CORP COMMISSION  
DOCKET CONTROL

2007 MAY 21 A 11:56

RECEIVED

IN THE MATTER OF THE GOLDEN CORRIDOR ] DOCKET NO. W-20461A-07-0158  
WATER COMPANY NOTICE OF AN ]  
EMERGENCY SURCHARGE TO COVER THE ]  
INCREASE IN OPERATING COSTS ]

ON MARCH 19, 2007, GOLDEN CORRIDOR WATER COMPANY ("COMPANY" OR "APPLICANT") FILED A NOTICE OF FILING EMERGENCY SURCHARGE WITH THE ARIZONA CORPORATION COMMISSION ("COMMISSION").

ON APRIL 13, 2007, THE COMMISSION'S UTILITIES DIVISION ("STAFF") FILED A REQUEST FOR A PROCEDURAL ORDER TO SET FORTH A PROCEDURAL SCHEDULE FOR THE COMPANY'S APPLICATION FOR AN EMERGENCY INCREASE IN RATES.

ON MAY 15, 2007, A PROCEDURAL CONFERENCE WAS HELD IN THIS MATTER..

ON MAY 18, 2007 GOLDEN CORRIDOR WATER COMPANY RECEIVED CERTIFIED MAIL NOTICE THAT ON MAY 14, 2007, STAFF AND ARIZONA WATER COMPANY ENTERED AN INTERIM OPERATOR AGREEMENT FOR MANAGEMENT OF THE GOLDEN CORRIDOR WATER COMPANY SYSTEM. (SEE ATTACHED NOTICE)

THE INTERCONNECTION OF ARIZONA WATER COMPANY'S LINE WITH  
GOLDEN CORRIDOR WATER COMPANY'S DISTRIBUTION LINE WILL  
ELIMINATE THE NECESSITY OF PROVIDING BOTTLED WATER.

ON MAY 21, 2007, GOLDEN CORRIDOR WATER COMPANY WITHDREW IT'S  
NOTICE/APPLICATION FOR AN EMERGENCY SURCHARGE.

(SEE ATTACHED NOTICE).

# Takeover of small utility seems closer

## Arizona Water wants protection

By KRIS WALKINSHAW  
Staff Writer

An agreement for Arizona Water Company to take over operations for the troubled Golden Corridor Water Company on the southeastern edge of Casa Grande should be in place soon.

The Arizona Corporation Commission, which has jurisdiction over water companies throughout the state, is piecing together an operating agreement with Arizona Water and its president Bill Garfield.

According to Heather Murphy, spokeswoman for the commission, Arizona Water Company officials want an official statement saying the company will not be held responsible for any Arizona Department of Environmental Quality issues that were in place prior to the new utility taking control.

"Arizona Water Company wants to begin anew with this operation from day one," she said. "They want to make sure all bases are covered, and their ownership and management teams know exactly where their liabilities lie. I think that's reasonable."

She said that while the official transfer is still in the works, that has not stopped Arizona Water officials from applying for permits to begin work on interconnecting the Golden Corridor Water system with its own.

Golden Corridor supplies water to about 50 households in the Toltec Buttes area north of Robson Ranch, and for these families, a new provider cannot come soon enough.

Nancy Hawkins said she is thankful she and her neighbors will have a new water provider soon.

"That's the hope, we get Arizona Water Company in and get Carl Harvey (owner of Golden Corridor) out of

there," Hawkins said.

She said problems of her neighbors having their water turned off without notice and not making bottled water available have been ongoing in recent months.

The commission heard testimony from Golden Corridor customers in February, and they cited years of problems with the company. From that time on, the commission and Arizona Water have been trying to complete a working agreement.

Problems with the water company include:

- The system was set up to serve 20 families, but has been stretched to 53.

- Water pressure has dropped to about 3 pounds per square inch when it's supposed to be at 20 psi or greater.

- The company has an outstanding Notice of Violation from ADEQ.

- The company has not made bottled water available to customers.

- Concerns remain about service outages, poor treatment from the owners and poor water quality.

Garfield said, "We want to be extra careful with the transfer as one doesn't want to step into the hornet's nest.

"Our intent is to come in and manage the utility, but we need to make sure an agreement is in place before we do that. It can be a slow process and we're trying to hammer that out."

Murphy said good bottled water will be made available to customers.

"The intent here is to put the residents who have suffered with this water company in a much, much better situation," she said. "This is a necessary step to make sure this community has safe, healthy drinking water."

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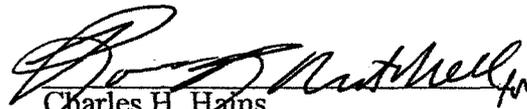
IN THE MATTER OF THE APPLICATION OF THE  
COMMISSION ON ITS OWN MOTION  
INVESTIGATING THE FAILURE OF CARL  
HARVEY DBA GOLDEN CORRIDOR WATER  
COMPANY, TO COMPLY WITH COMMISSION  
RULES AND REGULATIONS.

DOCKET NO. W-02497A-06-0580

NOTICE OF FILING

At the March 19, 2007 evidentiary hearing in the above captioned matter, Administrative Law Judge Yvette Kinsey verbally directed Staff of the Arizona Corporation Commission ("Staff") to docket and mail notice when an interim operator agreement had been reached with the prospective interim operator, Arizona Water Company ("AWC"). Staff hereby provides notice that on May 14, 2007, Staff and AWC entered an interim operator agreement for management of the Golden Corridor Water Company system.

RESPECTFULLY SUBMITTED this 14<sup>th</sup> day of May, 2007.



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The original and thirteen (13) copies of the foregoing were filed this 14<sup>th</sup> day of May, 2007 with:

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

Copy of the foregoing mailed this 14<sup>th</sup> day of May, 2007 to: