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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2007 MAY 25 P 2: 26

MAY 25 2007

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

AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF ANTELOPE LAKES WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICE TO VARIOUS PARTS OF YAVAPAI COUNTY, ARIZONA.

DOCKET NO. W-02740A-05-0089

PROCEDURAL ORDER

**BY THE COMMISSION:**

On February 11, 2005, Antelope Lakes Water Company, Inc. ("Company" or "Applicant"), filed an application for an extension of its Certificate of Convenience and Necessity ("Certificate") with the Arizona Corporation Commission ("Commission") to provide public water utility service to various parts of Yavapai County, Arizona.

On March 10, 2005, pursuant to A.A.C. R14-2-411, the Commission's Utilities Division ("Staff") issued a notice of insufficiency.

On August 3, 2005, pursuant to A.A.C. R14-2-411, Staff issued a letter of sufficiency.

On August 8, 2005, by Procedural Order, the Company was ordered to provide notice of the proceeding by September 2, 2005, Staff was ordered to file its Staff Report by September 15, 2005, and a hearing was scheduled for October 5, 2005.

On September 8, 2005, Staff filed its report.

On September 14, 2005, the Company filed a Motion to Vacate ("Motion") the hearing. The Company requested the hearing be vacated because it had failed to provide public notice pursuant to the Commission's Procedural Order. The Company also agreed to the waiver of the time-frame rule, A.A.C. R14-2-411. Staff does not oppose the Company's Motion.

On September 21, 2005, by Procedural Order, the Company's Motion was granted and the hearing vacated. The Company was ordered to provide public notice by October 14, 2005, and the hearing was rescheduled for November 15, 2005. Pursuant to the Company's waiver, the time-frame

1 was suspended.

2 On October 24, 2005, the Company filed certification that it had provided public notice.

3 On November 15, 2005, a full public hearing was convened before a duly authorized  
4 Administrative Law Judge of the Commission at its offices in Phoenix, Arizona. The Company and  
5 Staff appeared with counsel. At the conclusion of the hearing, the matter was taken under  
6 advisement pending submission of a Recommended Opinion and Order to the Commission.

7 On December 5, 2005, by Procedural Order, the Company was ordered to file, by February 4,  
8 2006, a copy of its Inorganic Chemical Analysis Report ("Report"), which shows the results of  
9 testing for the arsenic level of its new well, and the costs, if necessary, for bringing the arsenic level  
10 into compliance with the current applicable maximum contaminant level for arsenic. Staff was  
11 ordered to review such information, and to file, within 21 days of the Company's filing, a response.  
12 Following submission of this additional information, a determination would be made as to whether  
13 an additional hearing is necessary or whether this matter can proceed directly to the issuance of a  
14 Recommended Opinion and Order.

15 On February 6, 2006, the Company filed a request for an extension until February 28, 2006,  
16 to file a copy of its Report which shows the results of its water tests including the arsenic level.

17 On February 24, 2006, by Procedural Order, the Company's request for an extension was  
18 granted. However, the Company's filing of a copy of its Report was delayed.

19 On March 16, 2006, the Company filed a copy of the Report which shows the results of its  
20 water tests which indicate extremely high levels of arsenic.

21 On March 24, 2006, Staff filed its response.

22 On March 27, 2006, by Procedural Order, a procedural conference was scheduled for April  
23 20, 2006.

24 On April 20, 2006, a procedural conference was convened as ordered. Staff appeared with  
25 counsel. The Company did not enter an appearance, but when contacted by telephone, requested that  
26 the proceeding be continued for approximately sixty days. Staff did not object to this request, and  
27 by Procedural Order, the proceeding was continued until July 6, 2006.  
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On June 26, 2006, the Company filed a request to continue the proceeding for 120 days in order to gather expert advice on how to resolve the arsenic situation. Staff had no objection to the Company's request.

On June 27, 2006, by Procedural Order, the proceeding was continued to November 14, 2006.

On November 3, 2006, the Company filed another request to continue the proceeding for 90 more days in order to allow it to have its engineer prepare an engineering and feasibility report to be submitted at the procedural conference. Staff has no objections to the Company's request.

On November 7, 2006, by Procedural Order, the procedural conference was continued to February 15, 2007.

On February 15, 2007, the Company and Staff appeared with counsel to discuss pending issues in the proceeding and other related matters. The parties agreed that an additional 90 days would be required to address these concerns after which a status conference should be scheduled.

On February 20, 2007, by Procedural Order, a status conference was scheduled for May 30, 2007.

On May 22, 2007, the Company filed yet another request for a 90 day continuance of the proceeding in an attempt to resolve certain issues including whether another public water company, Abra Water Company, may have a Certificate for the area in question.

Under the circumstances, the status conference should be continued.

IT IS THEREFORE ORDERED that the **status conference** scheduled on **May 30, 2007, shall be continued to August 30, 2007, at 9:30 a.m.**, at the offices of the Commission, 1200 West Washington Street, Phoenix, Arizona.

IT IS FURTHER ORDERED that the time-frame shall remain suspended as previously ordered.

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

4 DATED this 25<sup>TH</sup> day of May, 2007

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8 MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

9  
10 Copies of the foregoing mailed/delivered  
11 this 25<sup>th</sup> day of May, 2007 to:

12 Paul D. Levie  
13 ANTELOPE LAKES WATER COMPANY, INC.  
2465 Shane Drive  
14 Prescott, AZ 86305

15 Christopher Kempley, Chief Counsel  
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18 Ernest Johnson, Director  
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23  
24 By:   
25 Debra Broyles  
Secretary to Marc Stern  
26  
27  
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