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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

Arizona Corporation Commission

DOCKETED

JAN 07 10 20 07

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

JAN 7 2008

DOCKETED BY

ARIZONA CORPORATION COMMISSION
CLERK OF COMMISSION

IN THE MATTER OF THE APPLICATION OF WILHOIT WATER COMPANY, INC., THUNDERBIRD MEADOWS SYSTEM, FOR RETROACTIVE APPROVAL OF A FINANCING APPLICATION.

DOCKET NO. W-02065A-07-0306

IN THE MATTER OF THE APPLICATION OF WILHOIT WATER COMPANY, INC., THUNDERBIRD MEADOWS SYSTEM, FOR APPROVAL OF A FINANCING APPLICATION.

DOCKET NO. W-02065A-07-0307

IN THE MATTER OF THE APPLICATION OF WILHOIT WATER COMPANY, INC., THUNDERBIRD MEADOWS SYSTEM, FOR APPROVAL OF A PERMANENT RATE INCREASE

DOCKET NO. W-02065A-07-0312

PROCEDURAL ORDER

BY THE COMMISSION:

On May 21, 2007, Wilhoit Water Company, Inc., Thunderbird Meadows System ("Applicant" or "Company") filed the following applications: an application requesting approval of retroactive financing in the amount of \$15,000 in Docket No. W-02065A-07-0306; an application requesting approval of financing in the amount of \$131,059 in Docket No. W-02065A-07-0307; and an application requesting approval for a permanent rate increase in Docket No. W-02065A-07-0312.

On June 19, 2007, the Company filed certification that it had mailed public notice to its customers of its rate application, but there is no indication that notice was provided on its financing applications.

On June 20, 2007, pursuant to A.A.C. R14-3-103, the Commission's Utilities Division ("Staff") issued a Notice of Insufficiency with respect to the Company's rate application.

On July 18, 2007, the Commission held a public comment hearing in Wilhoit, Arizona.

September 10, 2007, pursuant to A.A.C. R14-2-103, Staff issued a Notice of Sufficiency with

1 respect to the Company's rate application and classified the Company as a Class D Utility.

2 On September 19, 2007, Staff filed a Motion to Consolidate the three above-captioned
3 proceedings because Staff believed that the applications could be more efficiently handled if the
4 matters were combined into a single proceeding.

5 On September 25, 2007, by Procedural Order, the above-captioned proceedings were
6 consolidated.

7 On October 19 and 24, 2007, by Procedural Orders, the Commission scheduled a public
8 comment hearing on the applications on November 15, 2007, at the Wilhoit Southern Baptist Church
9 in Yavapai County, Arizona.

10 On October 31, 2007, the Company filed certification that it had provided public notice of the
11 scheduled public comment hearing on October 29 and 30, 2007.

12 On November 9, 2007, Staff filed its report recommending approval of its proposed rates and
13 charges. Staff further recommended that the Company's retroactive financing application for
14 \$15,000 be denied and its financing application for \$131,059 be approved. Additionally, Staff
15 indicated that the Company needs to invest in a new water source with an estimated cost of
16 approximately \$100,000 and also recommended approval of this sum as long-term debt. However,
17 the Company has not yet filed an application for approval of this long-term debt and notice of this
18 application will be required to be given to customers also.

19 On November 15, 2007, the Commission held a public comment hearing as previously
20 ordered.

21 On November 19, 2007, the Company filed objections to Staff's recommendations with
22 respect to Applicant's rate application and the denial of its financing application for \$15,000. The
23 Company also objected to Staff's estimate of the cost of a new water source as being insufficient.

24 Under the circumstances, before the Company's rate application can be addressed, the
25 Company must file an additional financing application in light of Staff's recommendations for the
26 financing of a new well in its Staff Report. Additionally, public notice of the previous financing
27 applications and the new financing application which is to be filed by the Company must be given to
28 the Company's customers in a form and manner approved by Staff. Lastly, the time-frame in the rate

1 proceeding should be suspended pending Staff's review of the Company's new financing application
2 after which Staff should file an amended Staff Report concerning the company's rate application and
3 a Staff Report on the Company's new financing application. Upon the filing of the Staff Reports, a
4 hearing will be scheduled on the applications.

5 IT IS THEREFORE ORDERED that Wilhoit Water Company, Inc., Thunderbird Meadows
6 System shall file a separate financing application for Commission approval of long-term debt to fund
7 the construction of a new water source.

8 IT IS FURTHER ORDERED that Wilhoit Water Company, Inc., Thunderbird Meadows
9 System shall provide public notice of the previous financing applications and its new application for
10 financing approval to the Commission in a form and manner approved by the Utilities Division.

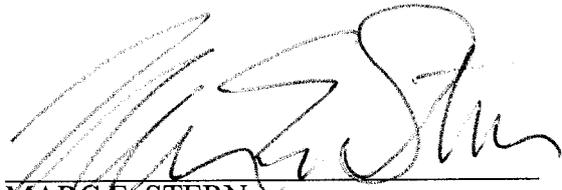
11 IT IS FURTHER ORDERED that the Commission's utilities Division shall file an amended
12 Staff Report with respect to the rate application herein and file a separate Staff Report with respect to
13 the financing application which is to be filed in the future.

14 IT IS FURTHER ORDERED that the time-frame in the above-captioned rate proceeding shall
15 be suspended until further order

16 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the
17 Rules of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and
18 admission *pro hac vice*.

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

22 DATED this 7th day of January, 2008.

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24 
25 MARC E. STERN
26 ADMINISTRATIVE LAW JUDGE

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28 ...

1 Copies of the foregoing mailed/delivered
2 this 7th day of January, 2008 to:

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12
13 By: 
14 Debra Broyles
Secretary to Marc E. Stern

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