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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

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

IN THE APPLICATION OF VALLE VERDE
WATER COMPANY FOR IMPLEMENTATION
OF AN EMERGENCY SURCHARGE AND
REQUEST FOR ACCESS TO WATER
INFRASTRUCTION FINANCE AUTHORITY
FUNDS.

DOCKET NO. W-01431A-07-0547

PROCEDURAL ORDER

BY THE COMMISSION:

On September 24, 2007, Southwest Utilities Management ("SUM"), the interim manager of Valle Verde Water Co., ("Valle Verde" or "Company") filed an application on behalf of Valle Verde for emergency rate relief and access to Water Infrastructure Finance Authority ("WIFA") assistance. In its application SUM was not specific as to the amount of the surcharge it is seeking for Valle Verde.

By Procedural Order dated October 11, 2007, the Hearing Division scheduled a Procedural Conference to commence on October 16, 2007, for the purpose of discussing a schedule and the procedures to govern the conduct of the proceeding. The Procedural Conference convened as schedules with SUM and Commission Utilities Division Staff ("Staff") participating.

On October 16, 2007, SUM provided additional information relating to the amount of the requested surcharge. SUM is seeking a surcharge of \$1.73 per 1,000 gallons, to yield additional revenue of \$173,723 per year.

Accordingly, a hearing will commence on November 15, 2007 at 10:00 a.m. to hear the above-captioned matter.

Pursuant to A.A.C. R14-3-101, the Commission makes the following orders governing the preparation and conduct of this matter.

IT IS THEREFORE ORDERED that Southwestern Utility Management, Inc., as interim manager of Valle Verde Water Co. shall provide public notice of the Commission's hearing to

1 determine if an emergency exists pursuant to Attorney General Opinion No. 71-17 and if an
 2 emergency increase should be granted, which hearing shall begin at the Commission's offices at
 3 Room 222, 400 West Congress Street, Phoenix, Arizona on **November 15, 2007 at 10:00 a.m.**, or as
 4 soon thereafter as the matter can be heard.

5 IT IS FURTHER ORDERED that the **Staff Report** and/or any testimony and associated
 6 exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before
 7 **noon on November 9, 2007.**

8 IT IS FURTHER ORDERED that SUM shall cause the notice set forth below to be
 9 published at least twice, in a newspaper of general circulation in the Company's service area,
 10 such publication to commence as soon as possible, occur at least a week a part, and be completed
 11 by November 3, 2007 with the title and body of text in at least 12 point type, as set forth below.

12 IT IS FURTHER ORDERED that SUM shall post and maintain the following notice in at
 13 least two public places located in the Company's service area (e.g., community center, market,
 14 gas station, the Company's standpipe, etc) as well as at the Company's office, on or before
 15 **November 1, 2007:**¹

16
 17 **PUBLIC NOTICE OF THE HEARING ON**
 18 **VALLE VERDE WATER COMPANY'S REQUEST FOR AN**
 19 **EMERGENCY SURCHARGE FOR WATER SERVICE**
 20 **DOCKET NO. W-01431A-07-0547**

21 VALLE VERDE WATER COMPANY HAS REQUESTED THE ARIZONA
 22 CORPORATION COMMISSION ("COMMISSION") TO DETERMINE IF AN
 23 EMERGENCY SURCHARGE SHOULD BE GRANTED. VALLE VERDE IS
 24 SEEKING A MONTHLY SURCHARGE OF \$1.73 PER 1,000 GALLONS OF WATER
 25 TO HELP DEFRAY THE ADDITIONAL EXPENSE OF PURCHASING WATER
 26 FROM THE CITY OF NOGALES. COMMISSION STAFF HAS NOT YET MADE A
 27 RECOMMENDATION ON THE REQUESTED EMERGENCY SURCHARGE. THE
 28 COMMISSION WILL MAKE A DETERMINATION OF WHETHER AN
 EMERGENCY EXISTS AND MAY APPROVE AN INTERIM RATE EITHER
 HIGHER OR LOWER THAN THAT REQUESTED BASED ON THE EVIDENCE
 PRESENTED AT HEARING.

THE PUBLIC HEARING WILL BEGIN AT THE COMMISSION'S OFFICES AT 400
 WEST CONGRESS STREET, ROOM 222, TUCSON, ARIZONA ON NOVEMBER 15,
 2007 AT 10:00 A.M. CUSTOMERS CAN ATTEND THE HEARING AND MAKE

¹ In addition, to assist in the dissemination of information on the hearing, a copy of this Procedural Order is being sent to the *Nogales International Herald*.

1 PUBLIC COMMENT, OR FILE WRITTEN COMMENTS WITH THE COMMISSION.
 2 INTERESTED PARTIES MAY INTERVENE THROUGH NOVEMBER 9, 2007. IF
 3 YOU DESIRE MORE INFORMATION, CONTACT THE COMMISSION'S
 4 CONSUMER SERVICES SECTION AT 1-800-222-7000. THE APPLICATION AND
 5 ALL FILINGS ARE AVAILABLE ON THE INTERNET VIA THE COMMISSION
 6 WEBSITE (WWW.AZCC.GOV) USING THE E-DOCKET FUNCTION.

7 The Commission does not discriminate on the basis of disability in admission to its public
 8 meetings. Persons with a disability may request a reasonable accommodation such as sign
 9 language interpreter, as well as request this document in an alternative format, by
 10 contacting Linda Hogan, ADA Coordinator, voice phone number 602-542-3931, E-mail
 11 lghogan@azcc.gov. Requests should be made as early as possible to allow time to arrange
 12 the accommodation.

13 IT IS FURTHER ORDERED that the Company **shall file with the Commission's Docket**
 14 **Control no later than November 9, 2007, certification that public notice was given in accordance**
 15 **with this Procedural Order.**

16 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
 17 except that **all motions to intervene must be filed on or before November 9, 2007.**

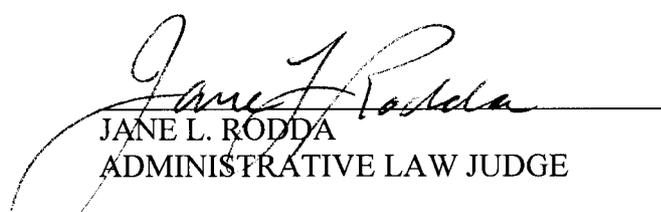
18 IT IS FURTHER ORDERED that notice in accordance with this Procedural Order shall be
 19 deemed complete upon the publication and public posting of notice, notwithstanding the failure of an
 20 individual customer to read or receive the notice.

21 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
 22 Communications) applies to this proceeding as the matter is now set for public hearing.

23 **IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the**
 24 **Rules of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and**
 25 **admission *pro hac vice*.²**

26 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
 27 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

28 DATED this 17th day of October, 2007.

29 
 30 JANE L. RODDA
 31 ADMINISTRATIVE LAW JUDGE

32 ² The Interim Manager should consult with Commission Legal Division Staff concerning this requirement.

1 Copies of the foregoing mailed/delivered
2 This 17th day of October, 2007 to:

3 Bonnie L. O'Connor
4 Southwestern Utility Management, Inc.
5 PO Box 85160
6 Tucson, AZ 85754
7 Interim Manager

8 William W. Wissler, Esq.
9 3180 E. Grant Rd.
10 Tucson, Arizona 85716-2890

11 Valle Verde Water Company
12 Attn: Catalina S. Randall
13 12 Garden Court Dr.
14 Nogales, Arizona 85621

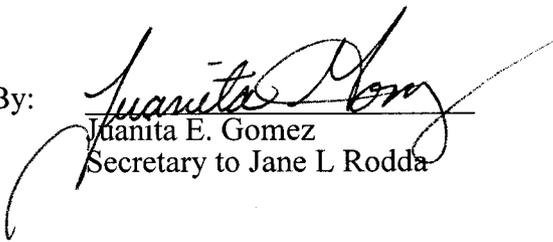
15 Manuel Coppola, Editor
16 Nogales International Herald
17 PO Box 579
18 Nogales, AZ 85621

19 Christopher Kempley, Chief Counsel
20 Legal Division
21 ARIZONA CORPORATION COMMISSION
22 1200 W. Washington Street
23 Phoenix, Arizona 85007

24 Ernest Johnson, Director
25 Utilities Division
26 ARIZONA CORPORATION COMMISSION
27 1200 W. Washington Street
28 Phoenix, Arizona 85007

ARIZONA REPORTING SERVICE, INC.
2200 N. Central Avenue, Suite 502
Phoenix, Arizona 85004

21
22
23 By:


Juanita E. Gomez
Secretary to Jane L Rodda