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1 ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

2 COMMISSIONERS

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Arizona Corporation Commission

DOCKETED

3 MIKE GLEASON, Chairman

AZ CORP COMMISSION

JAN 0 3 2008

4 WILLIAM A. MUNDELL

DOCKET CONTROL

5 JEFF HATCH-MILLER

6 KRISTIN K. MAYES

GARY PIERCE

DOCKETED BY

7 IN THE MATTER OF THE APPLICATION OF
8 PINE WATER COMPANY FOR APPROVAL TO
9 (1) ENCUMBER A PART OF ITS PLANT AND
10 SYSTEM PURSUANT TO A.R.S. §40-285(A);
11 AND (2) ISSUE EVIDENCE OF INDEBTEDNESS
12 PURSUANT TO A.R.S. §40-302(A).

DOCKET NO. W-03512A-07-0362

PROCEDURAL ORDER

11 **BY THE COMMISSION:**

12 On June 11, 2007, Pine Water Company ("PWC" or "Company") filed with the Arizona
13 Corporation Commission ("Commission") an application seeking approval to (1) encumber a part of
14 its plant and system pursuant to A.R.S. §40-285(A); and (2) issue evidence of indebtedness pursuant
15 to A.R.S. §40-302(A).

16 The Company's application is related to a Joint Well Development Agreement ("Agreement")
17 entered into between PWC and the Pine-Strawberry Water Improvement District ("PSWID").
18 According to the application, the Agreement provides, among other things, that PWC would enter
19 into a contingent indebtedness with PSWID in the amount of \$300,000, for costs related to drilling a
20 deep well at the K2 well site, and that PWC's assets would be encumbered in a like amount.

21 A number of public comment letters have been filed to date in this docket, mostly concerning
22 opinions about the K2 well site.

23 On July 12, 2007, Commissioner Mayes filed a letter in the docket stating that a hearing
24 should be held on PWC's application.

25 On August 22, 2007, Commissioner Mayes filed a second letter suggesting that a public
26 comment hearing should be scheduled in the Pine or Strawberry communities regarding the K2 well
27 proposal.

28 On September 7, 2007, the Commission's Utilities Division Staff ("Staff") filed a Staff Report

1 recommending approval of the application.

2 By Procedural Order issued September 14, 2007, a hearing was scheduled for October 15,
3 2007, and the Company was directed to mail and publish notice of the hearing.

4 On September 18, 2007, PWC filed a Request to Change Schedule due to unavailability of the
5 Company's counsel on the scheduled hearing date.

6 On September 19, 2007, a Procedural Order was issued rescheduling the hearing for October
7 26, 2007, and directing the Company to amend the public notice accordingly.

8 On September 26, 2007, PWC filed its Response to Staff Report.

9 On October 18, 2007, the Commission issued notice of a Special Open Meeting to be held
10 December 4, 2007, in Pine, Arizona, for the purpose of taking public comments regarding this matter.

11 On October 23, 2007, a Procedural Order was issued directing the Company to mail notice to
12 each customer of the Special Open Meeting and to publish notice in a newspaper of general
13 circulation.

14 On October 26, 2007, public comment was taken regarding the application and the evidentiary
15 hearing was rescheduled to commence on December 12, 2007 to allow the Company, Staff, and
16 intervenors the opportunity to submit pre-filed testimony.

17 The Special Open Meeting was held in Pine on December 4, 2007, as scheduled, during
18 which additional public comment was received.

19 The evidentiary hearing was held on December 12, 2007, as rescheduled. At the conclusion
20 of the hearing, late-filed exhibits were ordered to be filed, with post-hearing briefs and reply briefs
21 due by January 9 and January 18, 2008, respectively.

22 On January 2, 2008, Pine water filed a Request to Modify Current Procedural Schedule and to
23 Schedule a Status Conference. In its filing, the Company requests that the current briefing schedule
24 be vacated; that late-filed exhibits be filed by January 11, 2008; and that a telephonic status
25 conference be scheduled during the week of January 21, 2008. Pine Water represents that Staff and
26 the intervenors have consented to the Company's request on all three points.

27 IT IS THEREFORE ORDERED that **the previously established briefing schedule shall be**
28 **vacated.**

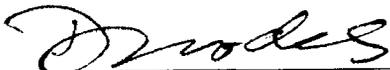
1 IT IS FURTHER ORDERED that all late-filed exhibits ordered at the hearing shall be
2 filed by no later than January 11, 2008.

3 IT IS FURTHER ORDERED that a transcribed telephonic status conference shall be held
4 on January 22, 2008, at 10:00 a.m. Parties shall call the bridge line at 602-542-9000 at the
5 designated time to connect to the call and participate in the status conference.

6 IT IS FURTHER ORDERED that the ex parte rule (A.A.C. R14-3-113 – Unauthorized
7 Communications) applies to this proceeding as the matter is now set for public hearing.

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

11 DATED this 3rd day of January, 2008.

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14 
15 DWIGHT D. NODES
16 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

17 Copies of the foregoing mailed/delivered
18 this 3rd day of January, 2008 to:

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16 Secretary to Dwight D. Nodes
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