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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

MAR 18 2008

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IN THE MATTER OF THE APPLICATION OF
WATER UTILITY OF GREATER TONOPAH
FOR AUTHORITY TO ISSUE DEBT.

DOCKET NO. W-02450A-05-0607

PROCEDURAL ORDER

BY THE COMMISSION:

On February 2, 2006, the Arizona Corporation Commission ("Commission") issued Decision No. 68452 which approved the issuance of long-term debt for the Water Utility of Greater Tonopah, Inc. ("Applicant" or "Company") for authority to issue long-term debt to the Water Infrastructure Finance Authority ("WIFA") in an amount not to exceed \$500,000. The Commission's approval in Decision No. 68452 was conditioned in part upon the Company filing, with the Commission's Docket Control, as a compliance in this docket, demonstrative evidence which meets Staff's approval, that its times interest earned ratio ("TIER") will increase to 1.0 or greater by December 31, 2006, or file for an increase in permanent rates in 2007 utilizing a 2006 test year ("TY").

On December 12, 2007, the Company filed a Motion for Extension of Time ("Motion") because, on May 3, 2006, Applicant had filed notice that its TIER would drop below 1.0 by December 31, 2006. The Company's Motion requests that the compliance timeframe be extended to June 30, 2015 and utilize a TY ending December 31, 2014. In the alternative, the Company is requesting an extension until June 30, 2010, and utilizing a TY ending December 31, 2009, because of significant ongoing construction planned for the Company's system in 2008 and 2009. The Company expects rapid customer growth along with its substantial additions to plant and is concerned that the burden of increased rates not fall exclusively on the existing customers. The Company also points out that it is owned by Global Water Resources, L.L.C. ("Global") which also operates Hassayampa Utilities Company ("HUC"), a wastewater utility, which was granted a

1 Certificate of Convenience and Necessity for a significant portion of Applicant's certificated service
2 area and, that in the future, the two utilities' rate proceedings could be coordinated together in the
3 form of a joint rate case which could include the consideration of water conservation when setting
4 rates in the future.

5 On February 27, 2008, the Commission's Utilities Division ("Staff") filed a memorandum in
6 response to the Company's Motion with respect to the filing of its rate case. Staff indicates that it is
7 concerned due to the "excessive and unreasonable" length of time for which Applicant is requesting
8 an extension of time. Staff is recommending approval of the Company's Motion to the extent that it
9 be required to file, by May 31, 2010, a rate case utilizing a 2009 TY.

10 Under the circumstances, the Company's Motion should be approved as recommended by
11 Staff with an extension of time for filing the Company's rate case until May 31, 2010, and utilizing a
12 TY ending December 31, 2009.

13 IT IS THEREFORE ORDERED that the Motion for Extension of Time filed by the Water
14 Utility of Greater Tonopah, Inc. for filing a rate case be granted as ordered hereinafter.

15 IT IS FURTHER ORDERED that the Water Utility of Greater Tonopah, Inc. shall be granted
16 an extension from December 31, 2007, to May 31, 2010, to file a rate case and utilize a TY ending
17 December 31, 2009.

18 Dated this 18th day of March, 2008.

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MARC E. STERN
ADMINISTRATIVE LAW JUDGE

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1 Copies of the foregoing mailed/delivered
2 this 18th day of March, 2008 to:

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By: 
Debra Broyles
Secretary to Marc E. Stern