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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 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

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

DOCKET NO. W-02065A-08-0138

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

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1 (“Staff”) issued a Notice of Insufficiency with respect to the Company’s rate application.

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

3 September 10, 2007, pursuant to A.A.C. R14-2-103, Staff issued a Notice of Sufficiency with  
4 respect to the Company’s rate application and classified the Company as a Class D Utility.

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

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

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

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

15 On November 9, 2007, Staff filed its report recommending approval of its proposed rates and  
16 charges. Staff further recommended that the Company’s retroactive financing application for  
17 \$15,000 be denied and its financing application for \$131,059 be approved. Additionally, Staff  
18 indicated that the Company needs to invest in a new water source with an estimated cost of  
19 approximately \$100,000 and also recommended approval of this sum as long-term debt. However,  
20 the Company had not yet filed an application for approval of the additional long-term debt  
21 recommended by Staff.

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

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

27 On January 7, 2008, by Procedural Order, the Company’s rate application could be addressed,  
28 the Company was ordered to file an additional financing application in light of Staff’s

1 recommendations for the financing of a new water source. Additionally, the Company was ordered  
2 to provide public notice of the previous financing applications and the new financing application in a  
3 form and manner approved by Staff. Lastly, the time-frame in the rate proceeding was suspended  
4 pending Staff's review of the Company's new financing application after which Staff was to an  
5 amended Staff Report concerning the Company's rate application and a Staff Report on the  
6 Company's new financing application before a hearing is scheduled on the applications.

7 On March 6, 2008, the Company filed an application with the Commission for an order  
8 authorizing applicant to issue \$345,000 of debt in Docket No. W-02065A-08-0138.

9 On April 25, 2008, Staff filed its amended Staff Report on the earlier filed applications and its  
10 new Staff Report on the company's recently filed financing application.

11 On April 28, 2008, Mr. Daniel E. Furnas filed a Motion to Intervene. No objections were  
12 filed to Mr. Furnas' Motion.

13 On June 5, 2008, by Procedural Order, Mr. Furnas was granted intervention.

14 Under the circumstances, the Company's financing application in Docket No. W-02065A-08-  
15 0138 should be consolidated with the above-referenced proceedings and a procedural conference  
16 scheduled on the respective applications.

17 IT IS THEREFORE ORDERED that the financing application in Docket No. W-02065A-08-  
18 0138 is hereby consolidated with the above-referenced proceedings.

19 IT IS FURTHER ORDERED that a **procedural conference** shall be held on **June 30, 2008**,  
20 at 2:00 p.m., at the Commission's offices, 1200 West Washington Street, Room 100, Phoenix,  
21 Arizona.

22 IT IS FURTHER ORDERED that the time-frame in the above-captioned rate proceeding shall  
23 remain suspended until further Order

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

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

4 DATED this 12<sup>TH</sup> day of June, 2008.

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7   
8 MARC E. STERN  
9 ADMINISTRATIVE LAW JUDGE

10 Copies of the foregoing mailed/delivered  
11 this 12<sup>th</sup> day of June, 2008 to:

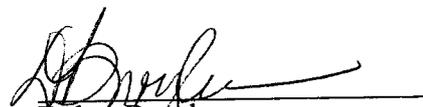
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