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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 MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

IN THE MATTER OF THE APPLICATION OF  
NORTHERN SUNRISE WATER COMPANY FOR  
A CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE WATER SERVICE IN  
COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20453A-06-0247

IN THE MATTER OF THE APPLICATION OF  
SOUTHERN SUNRISE WATER COMPANY FOR  
A CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE WATER SERVICE IN  
COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20454A-06-0248

IN THE MATTER OF THE JOINT APPLICATION  
OF NORTHERN SUNRISE WATER COMPANY  
AND SOUTHERN SUNRISE WATER COMPANY  
FOR THE APPROVAL OF SALE AND  
TRANSFER OF WATER UTILITY ASSETS, AND  
CANCELLATION OF CERTIFICATES OF  
CONVENIENCE AND NECESSITY, FOR  
MIRACLE VALLEY WATER COMPANY,  
COCHISE WATER COMPANY, HORSESHOE  
RANCH WATER COMPANY, CRYSTAL WATER  
COMPANY, MUSTANG WATER COMPANY,  
CORONADO ESTATES WATER COMPANY,  
AND SIERRA SUNSET WATER COMPANY,  
LOCATED IN COCHISE COUNTY, ARIZONA.

DOCKET NOS. W-20453A-06-0251  
W-20454A-06-0251  
W-01646A-06-0251  
W-01868A-06-0251  
W-02235A-06-0251  
W-02316A-06-0251  
W-02230A-06-0251  
W-01629A-06-0251  
W-02240A-06-0251

PROCEDURAL ORDER

**BY THE COMMISSION:**

In Decision No. 68826 (June 29, 2006), the Arizona Corporation Commission ("Commission") authorized Northern Sunrise Water Company ("NSWC") and Southern Sunrise Water Company ("SSWC")(collectively "Applicants") to acquire the assets of Miracle Valley Water Company, Cochise Water Company, Horseshoe Ranch Water Company, Crystal Water Company, Mustang Water Company, Coronado Estates Water Company and Sierra Sunset Water Company (collectively "McLain Water Systems"). Pursuant to the Decision, NSWC and SSWC were to complete certain capital improvements to their water systems by August 25, 2007, and the Decision

1 provided that Applicants could file a request to extend that deadline prior to June 30, 2007. On May  
2 30, 2007, Applicants filed a motion to extend the deadline to February 19, 2008. The Commission  
3 granted the Applicants' extension request by Procedural Order dated August 16, 2007.

4 On February 14, 2008, Applicants filed a "Motion of Extension of Time to Comply with  
5 Decision No. 68826." In their Motion, Applicants informed the Commission that the improvements  
6 to the SSWC-Cochise and Horseshoe systems would be completed by February 19, 2008, and  
7 requested another extension of time to complete the improvements to the other systems.

8 By Procedural Order dated April 21, 2008, the Commission extended the deadline established  
9 in Decision No. 68826 to complete the system improvements with respect to the Mustang, Crystal  
10 and Miracle Valley Water Systems until May 30, 2008; and the deadline with respect to the Sierra  
11 Sunset and Coronado Estates Water Systems until December 31, 2008.

12 Decision No. 68826 ordered that:

13 after the projects for a system or systems are completed, NSWC and  
14 SSWC shall file a notice of completion in this docket, which should  
15 include an Approval of Construction from ADEQ for those projects  
16 requiring ADEQ approval. Staff shall have 20 calendar days to complete  
its inspection and review of the filing and file any objection or its  
concurrence with the Notice. If the Staff memo concurs that the projects  
are completed, the moratorium would be considered lifted for that system  
or systems.

17 On May 20, 2008, Algonquin Water Services ("Algonquin"), the parent company of NSWC  
18 and SSWC, contacted the Commission's Utility Division ("Staff") to schedule a field inspection of  
19 the improvements for the SSWC-Miracle Valley water system and the NSWC-Mustang and Crystal  
20 water systems.

21 On June 3, 2008, Staff conducted a field inspection of the SSWC-Miracle Valley water  
22 system and NSWC-Mustang and Crystal water systems. Staff verified that all the Miracle Valley  
23 water system and Mustang and Crystal water system required improvement projects had been  
24 completed.

25 On June 19, 2008, NSWC and SSWC filed a "Notice of Completion" for the SSWC-Miracle  
26 Valley and NNWC-Mustang and Crystal water systems. The Notice of Completion attached the  
27 Arizona Department of Environmental Quality ("ADEQ") Approval of Construction ("AOC")  
28

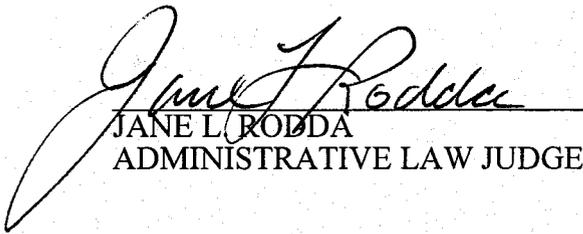
1 documents for each systems' projects. The improvement projects involved the construction and  
2 replacement of storage tanks and booster systems.

3 On June 23, 2008, Staff filed a Memorandum regarding Compliance with Decision No.  
4 68826, responding to the "Notice of Completion." Staff reports that having verified that the  
5 improvement projects ordered for the SSWC-Miracle Valley and NSWC-Mustang and Crystal  
6 systems have been completed, Staff recommends that the existing moratoria for the Miracle Valley  
7 and combined Mustang/Crystal water systems be lifted.

8 SSWC and NSWC have complied with the requirements of Decision No. 68826 with respect  
9 to the Miracle Valley and Mustang/Crystal systems. Consequently, the moratoria on new  
10 connections for the SSWC-Miracle Valley and NSWC-Mustang and Crystal systems are deemed  
11 lifted.

12 IT IS THEREFORE ORDERED that pursuant to the terms of Decision No. 68826, the  
13 moratoria on new connections for the SSWC-Miracle Valley and NSWC-Mustang and Crystal  
14 systems are deemed lifted.

15 DATED this 16th day of July, 2008.

  
JANE L. RODDA  
ADMINISTRATIVE LAW JUDGE

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19  
20 Copies of the foregoing mailed  
this 16th day of July, 2008 to:

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22 Mr. Patrick Black  
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Attorneys for Applicants

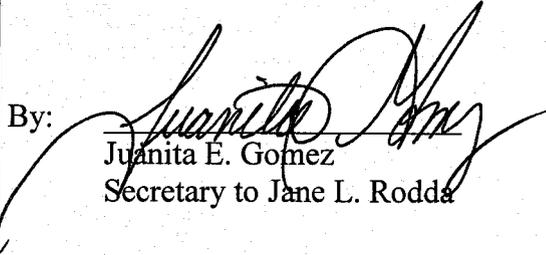
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13 Secretary to Jane L. Rodda  
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