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OPEN MEETING AGENDA ITEM

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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

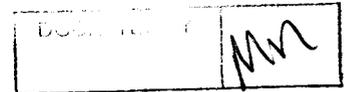
2008 SEP 29 A 10:44

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

SEP 29 2008



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

DOCKET NO. W-03512A-07-0362

PROCEDURAL ORDER

BY THE COMMISSION:

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

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

A hearing was held on December 12, 2007, and post-hearing briefs and reply briefs were filed on February 15 and February 29, 2008, respectively.

On September 5, 2008, a Recommended Opinion and Order was issued and this matter was scheduled for discussion at the Commission's September 23 and 24, 2008, Open Meeting.

During the September 23, 2008, Open Meeting discussion, the Commission passed a Motion offered by Commissioner Mayes, as amended by Commissioner Mundell, to postpone further consideration until the December 16 and 17, 2008, Open Meeting. The Commission directed the Hearing Division to issue a Procedural Order requiring the parties to submit additional information

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1 prior to the December Open Meeting. The Motion passed by the Commission is as follows:

2 This item shall be held over until the final Open Meeting in December
3 [December 16 and 17, 2008], at which time the Hearing Division or the
4 proper division would bring it back to the Commission. During that time,
5 the parties and intervenors shall file a report [by December 12, 2008]
including the status of any purchase negotiations or condemnation efforts,
and any other developments or pertinent information in this case.

6 IT IS THEREFORE ORDERED that the intervenors and Pine Water Company shall file by
7 December 12, 2008, either jointly or separately, a report including the status of any purchase
8 negotiations or condemnation efforts, and any other developments or pertinent information in
9 this case.

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

13 DATED this 29th day of September, 2008.

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

19 Copies of the foregoing mailed/delivered
this 29th day of September, 2008 to:

20 Jay L. Shapiro
21 Patrick J. Black
22 FENNEMORE CRAIG, PC
23 3003 North Central Avenue, Suite 2600
24 Phoenix, Arizona 85012
25 Attorneys for Pine Water Company

26 John G. Gliege
27 GLIEGE LAW OFFICES, PLLC
28 P.O. Box 1388
Flagstaff, AZ 86002-1388
Attorneys for Intervenors

Janice Alward, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Ernest G. Johnson, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

By: 
Debra Broyles
Secretary to Dwight D. Nodes