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MEMORANDUM
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TO: Docket Control Center

FROM: Ernest G. Johnson
for Director
Utilities Division

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

MAR - 6 2009

DATE: March 6, 2009

DOCKETED BY *MM*

RE: IN THE MATTER OF THE COMPLAINTS OF STEVE PRAHIN (DOCKET NO. W-03514A-07-0386) AND REBECCA SIGETI (DOCKET NO. W-03514A-08-0047) VS. PAYSON WATER CO. – GERONIMO WATER SYSTEM

Introduction

On February 3, 2009, the Administrative Law Judge issued a Procedural Order (“PO”) for the Arizona Corporation Commission Staff (“Staff”) to file by March 2, 2009, a Staff response to Payson Water Co. – Geronimo System’s (“Company”) Status Report. The Company filed its Status Report on January 30, 2009, followed by a Notice of Errata for its Status Report on February 3, 2009.

Staff’s Response

Staff recommended in its August 5, 2008 Staff Report that the Company increase its current production capacity and add at least 10,000 gallons of storage by no later than December 31, 2008. The Arizona Department of Environmental Quality (“ADEQ”) Approval of Construction (“AOC”) for both projects was to be submitted to Docket Control by January 31, 2009.

According to the Company’s January 30, 2009 Status Report, the Company reported that it has completed the following improvements:

- A. Elusive Acres Well (refurbishment) – construction, testing and chlorination -completed.
- B. Install additional 10,000 gallon storage tank at Geronimo Estates – completed.
- C. Installed second 10,000 gallon storage tank – completed.
- D. Geronimo Estates Well #1 (refurbishment) – completed.

The Company has not filed the required ADEQ - AOCs. However, the Company stated in its Status Report that it would file these documents once they are issued by ADEQ.

The Company, in its February 3, 2009 Notice of Errata, reported that Item C above, installation of the second 10,000 gallon storage tank, was not completed and that the ADEQ Approval to Construct application for this second tank was still pending.

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Staff's Recommendation

It appears that the Company has complied with most of the PO except for filing the AOCs and the installation of the second 10,000 gallon storage tank. Staff recommends that the Company complete this installation as soon as possible. Staff further recommends that the Company submit to Docket Control all the ADEQ - AOCs for the plant improvements as soon as they are issued by ADEQ.

EGJ:MSJ:lhk\KOT

Originator: Marlin Scott, Jr.

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Docket Nos. W-03514A-07-0386, et al.

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