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BEFORE THE ARIZONA CORPORATION COMMISSION

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2 COMMISSIONERS

- 3 KRISTIN K. MAYES, Chairman
- 4 GARY PIERCE
- 5 PAUL NEWMAN
- 6 SANDRA D. KENNEDY
- 7 BOB STUMP

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 AZ CORP COMMISSION
 DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

AUG 19 2009

DOCKETED BY	
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7 IN THE MATTER OF THE APPLICATION OF
 8 WILLOW VALLEY WATER CO., INC. FOR
 9 FINANCING APPROVAL IN CONNECTION
 WITH THE AMERICAN RECOVERY AND
 REINVESTMENT ACT OF 2009.

DOCKET NO. W-01732A-09-0182

PROCEDURAL ORDER

10 **BY THE COMMISSION:**

11 On April 17, 2009, Willow Valley Water Co., Inc. ("Willow Valley" or "Company") filed
 12 with the Arizona Corporation Commission ("Commission") an application for approval of a proposed
 13 \$435,000 of debt financing from the Water Infrastructure Authority of Arizona ("WIFA") in
 14 conjunction with the American Recovery and Reinvestment Act of 2009 ("ARRA"). Willow Valley
 15 provides water service to approximately 1,558 customers in parts of Mohave County, Arizona.

16 On May 19, 2009, the Company filed an Affidavit of Publication showing that notice of the
 17 application was published in the *Mohave Valley Daily News*, a publication of general circulation in
 18 Mohave County.

19 On July 15, 2009, the Commission's Utilities Division ("Staff") filed its Staff Report
 20 recommending approval of the application subject to, among other things, a requirement that Willow
 21 Valley achieve a Debt service Coverage ("DSC") ratio of at least 1.20 prior to obtaining the loan.
 22 Staff indicated that an evidentiary hearing may be necessary, pursuant to A.R.S. §250.A., to
 23 determine the appropriateness of establishing an interim surcharge that would enable the Company to
 24 achieve the 1.20 DSC.

25 On July 27, 2009, at the request of the Company and Staff, a transcribed telephonic
 26 procedural conference was conducted to discuss a procedural schedule for this matter. During the
 27 course of the telephonic conference, counsel for Willow Valley and Staff agreed that an additional
 28 notice should be sent to customers that includes the estimated bill impact of an interim surcharge that

1 would be required for the Company to achieve the 1.20 DSC ratio. The Company and Staff also
2 agreed that if no significant opposition is raised following the customer notice, the hearing
3 requirement could be satisfied by a “mini-hearing” before the Commission at an Open Meeting.

4 On August 5, 2009, Willow Valley filed a proposed form of customer notice that it claims
5 was agreed to by Staff. The Company requests that the notice be approved as soon as possible.

6 **IT IS THEREFORE ORDERED that Willow Valley Water Co., Inc., shall mail a copy of**
7 **the following notice to each of its customers, and shall publish the notice in a publication of**
8 **general circulation in its service area, by no later than August 28, 2009:**

9 **PUBLIC NOTICE OF**
10 **APPLICATION OF WILLOW VALLEY WATER CO., INC.**
11 **FOR FINANCING APPROVAL IN CONNECTION WITH THE**
12 **AMERICAN RECOVERY AND REINVESTMENT ACT (“ARRA”) OF 2009.**
13 **(DOCKET NO. W-01732A-09-0182)**

14 **Summary of Application**

15 On April 17, 2009, Willow Valley Water Company, Inc. (“Willow Valley” or
16 “Company”), a subsidiary of Global Water, filed with the Arizona Corporation
17 Commission (“Commission”) an application in the above-captioned docket seeking
18 approval to incur long-term indebtedness.

19 Willow Valley is seeking a \$435,000 Water Infrastructure Finance Authority of
20 Arizona (“WIFA”) loan for the purposes of replacing water meters in its service
21 territory. Willow Valley anticipates receiving \$174,000, or forty percent (40%) of the
22 loan amount, as forgivable principal reducing the effective amount of the loan to
23 \$261,000. The forgivable principal is contingent upon compliance with the ARRA.
24 A 20-year amortizing loan at approximately 5.25 percent per annum is anticipated.

25 The Commission Staff recommends an interim rate surcharge to generate additional
26 funds needed to achieve the minimum debt service coverage ratio recommended by
27 Commission Staff. If authorized, this surcharge would be collected monthly from the
28 date of the Commission’s Order of the application, until eliminated at the completion
of the Company’s general rate filing currently under review at the Commission
(Docket No. W-01732A-09-0079). **The additional monthly charge for a customer
served by a 5/8 inch x 3/4 inch meter is estimated to be \$3.67.**

29 **How You Can View or Obtain a Copy of the Application**

30 Copies of the application and proposed Surcharge are available for public inspection
31 during regular business hours at Global Water’s offices, 21410 N. 19th Avenue, Suite
32 201, Phoenix, AZ 85027 (623) 580-9600 and at the Commission’s Docket Control
33 Center at 1200 West Washington, Phoenix, Arizona. Electronic copies may be
34 obtained from the Commission’s website (www.azcc.gov) using the e-Docket
35 function.

36 **Arizona Corporation Commission Public Hearing Information**

37 The Commission may hold a formal hearing on this matter, or it may conduct an

1 informal hearing. If a formal hearing is scheduled, you will be informed of the date
 2 and time in advance. Public comments will be taken on the first day of hearing. If an
 3 informal hearing is scheduled, it will take place as part of a Commission Open
 Meeting. Agendas for Commission Open Meetings are available on the
 Commission's website (www.azcc.gov).

4 Public comments can be provided in this matter by contacting the Consumer Services
 5 Section at the number below or may be submitted in writing by mailing a letter
 6 referencing Docket No. W-01732A-09-0182 to Arizona Corporation Commission,
 Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by
 7 email. For a form to use and instructions on how to email comments to the
 Commission, go to <http://www.azcc.gov/divisions/utilities/forms/publiccomment.pdf>.
 If you require assistance, you may contact Consumer Services Section at 602-542-
 4251 or 1-800-222-7000.

8 About Intervention

9 The law provides for an open public hearing at which, under appropriate
 10 circumstances, interested parties may intervene. Any person or entity entitled by law
 to intervene and having a direct and substantial interest in the matter will be permitted
 11 to intervene. If you wish to intervene, you must file an original and 13 copies of a
 written motion to intervene with the Commission no later than **September 11, 2009**,
 and send a copy of the motion to Global Water or its counsel and to all parties of
 12 record. Your motion to intervene must contain the following:

- 13 1. Your name, address, and telephone number, and the name, address, and
 14 telephone number of any party upon whom service of documents is to
 be made, if not yourself;
- 15 2. A short statement of your interest in the proceeding (e.g., a customer of
 Willow Valley, a shareholder of Willow Valley, etc.); and
- 16 3. A statement certifying that you have mailed a copy of the motion to
 17 intervene to Willow Valley or its counsel and to all parties of record in
 the case.

18 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
 19 that all motions to intervene must be filed on or before September 11, 2009. If
 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
 20 Court, intervention will be conditioned upon the intervenor obtaining counsel to
 represent the intervenor. For information about requesting intervention, visit the
 21 Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.

22 The granting of intervention, among other things, entitles a party to present sworn
 evidence at hearing and to cross-examine other witnesses. However, **failure to
 23 intervene will not preclude any interested person or entity from appearing at the
 hearing and providing public comment on the application or from filing written
 24 comments in the record of the case.**

25 ADA/Equal Access Information

26 The Commission does not discriminate on the basis of disability in admission to its
 public meetings. Persons with a disability may request a reasonable accommodation
 such as a sign language interpreter, as well as request this document in an alternative
 27 format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail
sbernal@azcc.gov, voice phone number (602) 542-3931. Requests should be made as
 28 early as possible to allow time to arrange the accommodation.

1 IT IS FURTHER ORDERED that Willow Valley Water Co., Inc., shall file an affidavit of
2 mailing and publication of the customer notice by no later than September 4, 2009.

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

6 DATED this 19th day of August, 2009.

7
8 
9 _____
10 DWIGHT D. NODES
11 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

12 Copies of the foregoing mailed/delivered
13 This 19th day of August, 2009 to:

14 Timothy J. Sabo
15 Michael W. Patten
16 ROSHKA, DEWULF & PATTEN
17 One Arizona Center
18 400 E. Van Buren, Suite 800
19 Phoenix, AZ 85004
20 Attorneys for Willow Valley Water Co., Inc.

21 Janice Alward, Chief Counsel
22 Legal Division
23 ARIZONA CORPORATION COMMISSION
24 1200 West Washington Street
25 Phoenix, AZ 85007

26 Steve Olea, Director
27 Utilities Division
28 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

29 By: 
30 _____
31 Debbi Person
32 Secretary to Dwight D. Nodes