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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

- GARY PIERCE, Chairman
- BOB STUMP
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ARIZONA CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
COMMUNITY WATER COMPANY OF GREEN
VALLEY FOR A DETERMINATION THAT THE
"AGREEMENT FOR PAST CAP M&I WATER
SERVICE CAPITAL CHARGES (INSTALLMENT)"
WITH CENTRAL ARIZONA WATER
CONSERVATION DISTRICT IS NOT AN
EVIDENCE OF INDEBTEDNESS REQUIRING
COMMISSION APPROVAL UNDER A.R.S. §§ 40-
031 AND 40-302; OR, IN THE ALTERNATIVE,
APPROVAL OF THE AGREEMENT.

DOCKET NO. W-02304A-09-0575

PROCEDURAL ORDER

Arizona Corporation Commission

DOCKETED

JAN 5 2011

DOCKETED BY	
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BY THE COMMISSION:

On September 3, 2009, the Arizona Corporation Commission ("Commission") issued Decision No. 71259, in which the Commission directed Community Water Company of Green Valley ("CWCGV" or "Company") to file an application, within 120 days of the effective date of the Decision, regarding the necessity of Commission approval for an agreement between the Company and the Central Arizona Water Conservation District ("CAWCD") for past Central Arizona Project ("CAP") Municipal and Industrial ("M&I") water service capital charges.

On December 22, 2009, CWCGV filed its application for a determination that the agreement for past CAP M&I water service capital charges with CAWCD is not an evidence of indebtedness requiring Commission approval under A.R.S. §§ 40- 301 and 40-302; or, in the alternative, approval of that agreement ("Application").

On August 17, 2010, the Commission's Utilities Division ("Staff") filed its Staff Report in this matter.

On August 26, 2010, CWCGV filed its Response to the Staff Report.

On September 10, 2010, Staff filed its Response to Company's Response to the Staff Report.

Pursuant to a Procedural Order issued October 20, 2010, a Procedural Conference was held on

1 December 16, 2010. During the Procedural Conference, the parties agreed that, because the issues
2 addressed in the Application are legal, rather than factual, no hearing is necessary in this matter.
3 However, there are additional questions of a legal nature which need to be addressed by the parties
4 before an order may be issued.

5 IT IS THEREFORE ORDERED that CWCGV shall file a supplemental response brief to the
6 Staff Report addressing Staff's reliance on the Commission's Decision No. 69947 (October 30,
7 2007), in reaching it's conclusion in this matter.

8 IT IS FURTHER ORDERED that Staff shall file a supplemental reply brief to the Company's
9 response addressing the following:

- 10 1) CWCGV notes that in Commission Decision No. 69681 (June 28, 2007), the
11 Commission did not require Avra Valley Water Co-op to obtain Commission
12 approval for an agreement similar to the one in question here. Why is Staff
13 requiring approval of this of agreement when it did not do so in the Avra
14 Valley Water Co-op case? Is there a difference between the Avra Valley
15 Water Co-op case and this matter?
- 16 2) Is Staff now adopting a policy that *all* agreements of this nature must now be
17 approved by the Commission?

18 IT IS FURTHER ORDERED that the Company and Staff shall file their respective briefs no
19 later than **February 4, 2011.**

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1 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend or waive
2 any portion of this Procedural Order either by subsequent Procedural Order or ruling.

3 Dated this 4th day of January, 2011.

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6 
7 BELINDA A. MARTIN
ADMINISTRATIVE LAW JUDGE

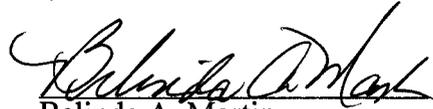
8 Copies of the foregoing mailed/delivered
9 this 4th day of January, 2011, to:

10 Jason D. Gellman
11 Michael W. Patten
12 ROSHKA DEWULF & PATTEN, PLC
13 400 East Van Buren, Suite 800
14 Phoenix, AZ 85004

15 Arturo Gabaldon, President
16 COMMUNITY WATER COMPANY
OF GREEN VALLEY
17 1501 South La Canada
18 Green Valley, AZ 85614

19 Janice Alward, Chief Counsel
20 Legal Division
21 ARIZONA CORPORATION COMMISSION
22 1200 W. Washington Street
Phoenix, AZ 85007

23 Steven M. Olea, Director
24 Utilities Division
25 ARIZONA CORPORATION COMMISSION
26 1200 W. Washington Street
27 Phoenix, AZ 85007

28 By: 
Belinda A. Martin