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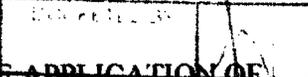
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BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK
CHAIRMAN
JIM IRVIN
COMMISSIONER
WILLIAM A. MUNDELL
COMMISSIONER

DOCKETED

OCT 21 1999



DOCKET NO. W-01651B-99-0351
DOCKET NO. W-01651B-99-0406

IN THE MATTER OF THE APPLICATION OF
VAIL WATER COMPANY FOR AUTHORITY TO
ISSUE PROMISSORY NOTE(S) AND OTHER
EVIDENCES OF INDEBTEDNESS PAYABLE AT
PERIODS OF MORE THAN TWELVE MONTHS
AFTER THE DATE OF ISSUANCE.

IN THE MATTER OF THE APPLICATION OF
VAIL WATER COMPANY FOR A RATE
INCREASE

PROCEDURAL ORDER

BY THE COMMISSION:

On September 27, 1999, The Arizona Corporation Commission ("Commission") Utilities Division Staff ("Staff") filed a Motion to Consolidate Vail Water Company's ("Vail" or "Company") above-captioned rate and finance applications. On September 28, 1999, the Commission issued a Procedural Order consolidating the matters. On October 4, 1999, Vail filed a Response to the Motion to Consolidate stating that Vail did not have an opportunity to oppose the Motion prior to the issuance of the September 28, 1999 Procedural Order and argued against consolidation. Staff filed a Response on October 5, 1999, and Vail filed a Reply on October 13, 1999.

Vail argued that the project to be financed is of great importance to the Company and that the Company must demonstrate to the Water Infrastructure Finance Authority of Arizona ("WIFA") that it is working diligently to meet WIFA requirements. Staff argued that Vail cannot meet WIFA's financial requisites to qualify for the loan without a rate increase.

After consideration of the pleadings filed in connection with the Motion to Consolidate, consolidation of the finance application and the rate application is warranted. The Company is pursuing the financing approval diligently, however, there was evidence taken at Vail's emergency rate hearing, (Docket No. W-01651B-99-0355) that the Company could not meet WIFA financial requirements for funding without a rate increase. The Company should not be prejudiced by the

1 Commission considering the finance request and rate application in the same proceeding. The issues
2 of the two applications are substantially related and efficiency will be enhanced by consolidation.

3 IT IS THEREFORE ORDERED that Staff's Motion to Consolidate is granted.

4 DATED this 20th day of October, 1999.

5
6 
7 JANE L. RODDA
HEARING OFFICER

8 Copies of the foregoing mailed
9 this 20th day of October, 1999 to:

10 Richard L. Sallquist, Esq.
11 SALLQUIST & DRUMMOND, P.C.
12 2525 E. Arizona Biltmore Circle, Suite 117
13 Phoenix, Arizona 85016
14 Attorneys for Vail Water Company

15 Lyn Farmer, Chief Counsel
16 LEGAL DIVISION
17 Arizona Corporation Commission
18 1200 W. Washington Street
19 Phoenix, Arizona 85007

20 Deborah Scott, Director
21 Utilities Division
22 Arizona Corporation Commission
23 1200 W. Washington Street
24 Phoenix, Arizona 85007

25 Lawrence V. Robertson
26 Munger Chadwick, PLC
27 National Bank Plaza
28 333 N. Wilmot, Suite 300
Tucson, Arizona 85711

By: 