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AZ CORP COMMISSION
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BEFORE THE ARIZONA CORPORATION COMMISSION

8 COMMISSIONERS

9 GARY PIERCE, CHAIRMAN
10 PAUL NEWMAN
11 SANDRA D. KENNEDY
12 BOB STUMP
13 BRENDA BURNS

Arizona Corporation Commission

DOCKETED

OCT 14 2011

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[Signature]

14 IN THE MATTER OF THE APPLICATION
15 OF CERBAT WATER COMPANY FOR
16 APPROVAL OF A RATE INCREASE

Docket No. W-02391A-10-0218

17 IN THE MATTER OF STAFF'S REQUEST
18 FOR COMMISSION ISSUANCE OF AN
19 ORDER TO SHOW CAUSE FOR THE
20 FAILURE OF CERBAT WATER COMPANY
21 TO COMPLY WITH COMMISSION RULES
22 AND REGULATIONS

Docket No. W-02391A-11-0166

23 IN THE MATTER OF THE APPLICATION
24 OF CERBAT WATER COMPANY FOR
25 AUTHORITY TO INCUR LONG-TERM
26 DEBT

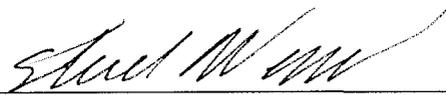
Docket No. W-02391A-11-0309

STATUS REPORT

27 Cerbat Water Company ("Company" or "Cerbat"), hereby files its Status Report,
28 which is set forth in Attachment 1.

1 DATED this 14th day of October, 2011.

2 MOYES SELLERS & HENDRICKS LTD.

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4 
5 _____
6 Steve Wene

7 **Original and 13 copies filed this**
8 14th day of October, 2011, with:

9 Docket Control
10 Arizona Corporation Commission
11 1200 West Washington
12 Phoenix, Arizona 85007

13 
14 _____
15

ATTACHMENT 1

Cerbat Water Company

7313 E. Concho Dr., Suite B Kingman, AZ 86401
(928)757-2205 phone (928)757-2217 fax

Cerbat Water Company Status Report October 14th, 2011

On August 24, 2011, the Arizona Corporation Commission (ACC) ordered Cerbat Water Company (Cerbat) to docket a status report concerning improvements in Company management and issues related to providing safe and adequate water service.

As previously reported to the ACC, Cerbat hired Michelle Monzillo approximately three months ago to manage the day-to-day operations in the Kingman area and assist with compliance matters. Ms. Monzillo also manages the Mt. Tipton Water Company and through that employment she gained experience working with the ACC regarding compliance and rate-making matters.

As the ACC is aware, Arizona Department of Environmental Quality (ADEQ) Inspector J. Craig Beeson conducted an unannounced system inspection on October 11th, 2011 per the request of the ACC. This inspection found no outstanding issues. The final draft of the 2010 Consumer Confidence Report (CCR) has been submitted to ADEQ staff. Upon approval of the CCR, Cerbat will be fully compliant with ADEQ. Cerbat has been running smoothly since the last well repair was completed on August 10th, 2011. There are no outstanding customer complaints and no known leaks. In sum, Cerbat is providing safe and adequate water service.

To improve the system, Cerbat has applied for ACC approval to drill a second well, improve the booster pump station, connect a storage tank to the system, and pay vendors who are owed money for well improvements. Cerbat will appear before the ACC on November 8, 2011 regarding the approval of funding.

We would like to thank the Commission for taking the time to explore and understand the issues that Cerbat is facing and the proposals to find long-term solutions.

Sincerely,



Michelle Monzillo
Manager