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BEFORE THE ARIZONA CORPORATION COMMISSION
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COMMISSIONERS

BOB STUMP - Chairman
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2014 JUL -3 P 1:20

AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

IN THE MATTER OF THE APPLICATION OF
COMMUNITY WATER COMPANY OF GREEN
VALLEY FOR AUTHORITY TO BORROW UP
TO \$3.4 MILLION FROM COMPASS BANK AND
COMPASS MORTGAGE CORPORATION FOR
THE PURPOSES OF (1) REFINANCING UP TO
\$2.2 MILLION IN EXISTING LONG-TERM
DEBT; AND (2) ISSUING AN ADDITIONAL \$1.2
MILLION IN LONG-TERM DEBT, UNDER A.R.S.
§§ 40-301 AND 40-302.

DOCKET NO. W-023041-13-0041
Arizona Corporation Commission

DOCKETED

JUL 3 2014

DOCKETED BY [Signature]

PROCEDURAL ORDER

On February 12, 2014, Community Water Company of Green Valley ("CWCGV" or "Company") filed an application with the Arizona Corporation Commission ("Commission") requesting authorization to incur long-term debt from Compass Bank and Compass Mortgage Corporation ("Compass") in an amount of \$3,400,000 for two purposes: (1) to refinance up to \$2,200,000 in existing long-term debt; and (2) to issue up to \$1,200,000 in additional long-term debt to replace CWCGV's existing 1,000,000 gallon below-ground storage tank with an above-ground 2,000,000 gallon steel storage tank ("Storage Tank") at the Reservoir No. 2 site ("Financing Application").

On February 19, 2014, CWCGV filed an Amendment to the Financing Application attaching CWCGV's unaudited 2014 pro forma income statement.

On March 10, 2014, CWCGV filed an affidavit of publication verifying that notice of the Financing Application was published in the *Green Valley News and Sun* on February 23, 2014.

On April 14, 2014, CWCGV filed an Amendment to the Financing Application attaching CWCGV's 2013 Annual Report, which included audited financial statements for the year ending December 31, 2013.

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1 On June 23, 2014, the Commission's Utilities Division ("Staff") filed a Staff Report
2 recommending approval for authorization to refinance up to \$2,120,000 in existing long-term debt,
3 along with recommended conditions. Staff further recommended denial of the Company's financing
4 request to issue \$1,200,000 in long-term debt to install the Storage Tank. According to Staff, the
5 Storage Tank is not necessary because the water system currently has adequate storage capacity to
6 serve its existing customers and additional storage capacity is not needed in the foreseeable future.

7 On July 2, 2014, CWCGV filed its Response to Staff Report objecting to, among other things,
8 Staff's recommended denial of the Company's financing request to install the Storage Tank. In its
9 Response, the Company asserts that its financing request should be approved in its entirety because it
10 meets the requirements established in A.R.S. § 40-301(C). In addition, the Company claims that the
11 Storage Tank will provide multiple system benefits not addressed or considered by Staff in its Staff
12 Report.

13 A review of the filings in this matter indicates that a Procedural Conference should be held to
14 determine the necessity of an evidentiary hearing to resolve the disputed issues.

15 IT IS THEREFORE ORDERED that a **Procedural Conference** shall commence on **July 10,**
16 **2014, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices, 1200 West
17 Washington Street, Hearing Room No. 1, Phoenix, Arizona.

18 DATED this 3rd day of July, 2014.

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21 SCOTT M. HESLA
ADMINISTRATIVE LAW JUDGE

22 Copies of the foregoing mailed/delivered

23 this 3rd day of July, 2014 to:

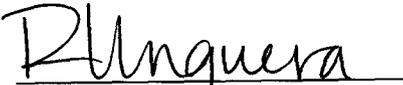
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