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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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2004 NOV 12 A 11:49
AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
MONTEZUMA ESTATES PROPERTY OWNERS'
ASSOCIATION dba MONTEZUMA ESTATES
WATER COMPANY FOR APPROVAL OF THE SALE
OF ASSETS AND TRANSFER OF ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY

DOCKET NO. W-02064A-04-0270
W-04254A-04-0270

NOTICE OF FILING
LATE-FILED EXHIBITS

On October 28, 2004, a hearing was held on Montezuma Estates Property Owners' Association's ("Applicant") application for approval of the sale of its assets and transfer of its Certificate of Convenience and Necessity ("Certificate") to Montezuma Rimrock Water Company L.L.C. ("MRWC").

During this hearing, the Applicant's compliance with the Arizona Department of Environmental Quality ("ADEQ") and the adjacent Arizona Water Company base rates for Arizona Water Company's Rimrock customers were discussed. The Administrative Law Judge ("ALJ") ordered the Utilities' Division Staff ("Staff") of the Arizona Corporation Commission ("Commission") to file additional documentation regarding the above issues. Staff has attached the additional documentation as Exhibit S-3 (an ADEQ Compliance Status Report) and Exhibit S-4 (a copy of Arizona Water's tariff schedule for the Rimrock system).

RESPECTFULLY SUBMITTED this 12th day of November, 2004.

Arizona Corporation Commission
DOCKETED

NOV 12 2004

DOCKETED BY [Signature]

David Ronald

David M. Ronald
Attorney, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

1 The original and thirteen (13) copies
2 of the foregoing were filed this
3 12th day of November, 2004 with:

4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington Street
7 Phoenix, Arizona 85007

8 Copies of the foregoing were mailed this
9 12th day of November, 2004 to:

10 Douglas C. Fitzpatrick
11 49 Bell Rock Plaza, Suite A
12 Sedona, AZ 86351
13 Attorney for Montezuma Estates
14 Property Owners' Association

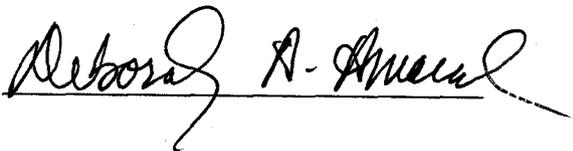
15 Peter O. Sanchez
16 60 Ridgecrest Road
17 Sedona, Az 86351

18 Montezuma Rimrock Water Company, LLC
19 P. O. Box 10
20 Rimrock, AZ 86335-0010

21 Patricia D. Arias
22 7209 West Windrose Drive
23 Peoria, AZ 85381

24 Richard Rink
25 6601 N. Mountain View Drive
26 Paradise Valley, AZ 85253

27 Owen L. Cotton
28 Cotton, Norton, Stevenson
Consulting, Inc.
P. O. Box 44015
Phoenix, AZ 85064-4015



Arizona Department of Environmental Quality
Water Quality Compliance Assurance Unit
1110 W. Washington Street, 5415B-1
Phoenix, AZ 85007

EXHIBIT S-3

Drinking Water Compliance Status Report

Public Water System Name: Montezuma Estates Property Owners Asso.

Public Water System ID #: 13-071

Overall Compliance Status: No Major Deficiencies Major Deficiencies

Monitoring and Reporting Status: No Major Deficiencies Major Deficiencies

Comments: All previously identified major monitoring and reporting deficiencies have been corrected.

Operation and Maintenance Status: No Major Deficiencies Major Deficiencies

Comments:

Major unresolved/ongoing operation and maintenance deficiencies:

- | | |
|---|---|
| <input type="checkbox"/> unable to maintain 20psi | <input type="checkbox"/> inadequate storage |
| <input type="checkbox"/> cross connection/backflow problems | <input type="checkbox"/> surface water treatment rule |
| <input type="checkbox"/> treatment deficiencies | <input type="checkbox"/> approval of construction |
| <input type="checkbox"/> certified operator | <input type="checkbox"/> other |

Date of last inspection / sanitary survey: 08/14/03

Administrative Orders:

Is an ADEQ administrative order in effect? Yes No

Comments:

System information:

Number of Points of Entry 1 Number of Sources 1 Population Served 225

Service Connections 130 Initial Monitoring Year 1995 Initial MAP Year 2001

Evaluation completed by: John Calkins, Supervisor Water Quality Compliance Assurance Unit

Phone: (602) 771-4651 Date: 07/16/04

Based on data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for this system in the future. This compliance status report does not reflect the status of any other water system owned by this utility company.

WATER RATES

ARIZONA WATER COMPANY
Phoenix, Arizona

Filed by: James R. Livingston
Title: President
Date of Original Filing: 5-24-71
System: RIMROCK

A.C.C. No. 451
Cancelling A.C.C. No. 430
Tariff or Schedule No. WG-271
Filed: 12-31-01
Effective: For all service rendered on or after January 1, 2002

GENERAL SERVICE

AVAILABILITY:

In Rimrock and environs at all points where facilities of adequate capacity and pressure are adjacent to the premises served.

APPLICATION:

To all water service required when such service is supplied at one premise through one point of delivery and measured through one meter. Not applicable to temporary, standby, supplementary or resale service.

| | | | | |
|----------------------|-----------------|----------|-----|-------------|
| MONTHLY BILL: | <i>Minimum:</i> | \$ 16.10 | for | 5/8" x 3/4" |
| | | 34.13 | " | 1" |
| | | 99.66 | " | 2" |
| | | 179.03 | " | 3" |
| | | 317.81 | " | 4" |
| | | 606.48 | " | 6" |
| | | 847.98 | " | 8" |
| | | 1,384.92 | " | 10" |

Zero gallons included in all minimum charges

Commodity Rate: \$ 0.250 per 100 gallons

Purchased Power Adjustment: \$ (0.0) per hundred gallons for all gallons used

Adjustment: Plus the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of the gross revenues of the Company and/or the price or revenue from the water or service sold and/or the volume of water pumped or purchased for sale and/or sold hereunder. In the event of any increase or decrease in taxes or other governmental impositions, rates shall be adjusted to reflect such increase or decrease.

SPECIAL PROVISIONS:

1. Subject to the Company's Tariff Schedule SC-252.

2. If service is to be re-established at the same service location for a customer who has there ordered a service disconnection within the preceding 12-month period, or for any member of such customer's household, a non-refundable charge of eight (8) times the customer's monthly minimum charge and the appropriate tax adjustment will be required as a precondition to the establishment of such service. Payment for such charge shall be made at the time of application for re-establishment of service.

TERMS AND CONDITIONS:

Subject to the Company's Tariff Schedule TC-243.

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| <p>APPROVED FOR FILING</p> <p>DECISION #: <u>64282</u></p> |
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Effective: 1/1/02
Revised: 12/31/01