

ORIGINAL



0000092565

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

Arizona Corporation Commission 2009 JAN 23 A 9 15

KRISTIN K. MAYES, Chairman DOCKETED

GARY PIERCE

JAN 23 2009

AZ CORP COMMISSION DOCKET CONTROL

PAUL NEWMAN

SANDRA D. KENNEDY

BOB STUMP

DOCKETED BY	
-------------	--

IN THE MATTER OF THE APPLICATION OF MONTEZUMA RIMROCK WATER COMPANY, LLC FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-04254A-08-0361

PROCEDURAL ORDER

BY THE COMMISSION:

This Docket—Ratemaking Application

On July 16, 2008, Montezuma Rimrock Water Company, LLC ("Montezuma") filed with the Arizona Corporation Commission ("Commission") an application requesting a rate increase of \$32,000, equal to approximately 35 percent¹ of its total operating revenues, to cover the cost of acquiring an arsenic treatment system and integrating the arsenic treatment system with Montezuma's current facilities. Montezuma stated that all of its wells are currently exceeding the Environmental Protection Agency's and Arizona Department of Environmental Quality's 10 parts per billion maximum contaminant level for arsenic. The application stated that Montezuma had provided notice of the application to all of its customers on the same date.

On August 5, 2008, a Montezuma customer filed with the Commission's Utilities Division ("Staff") an opinion opposing Montezuma's rate increase, stating that most of the customers are seasonal, that Montezuma does not need the increase, that Montezuma has "abused" monies collected from customers in the past, and that funding for an arsenic treatment system had been approved previously.

On August 4, 2008, Staff issued a Letter of Deficiency and Data Request.

¹ In a later amendment to its application, Montezuma provided a higher test year total operating revenues figure that would make this percentage approximately 33 percent.

1 On August 29, 2008, Montezuma filed amended application pages including additional
2 information.

3 On September 29, 2008, Staff issued a Second Letter of Deficiency and Data Request.

4 On December 4 and 30, 2008, Montezuma again filed amended application pages.

5 On January 20, 2009, Staff issued a Letter of Sufficiency stating that Montezuma's
6 application has met the sufficiency requirements outlined in Arizona Administrative Code R14-2-
7 103(B)(7) and that Montezuma has been classified as a Class D water system.

8 Docket No. W-04254A-08-0362—Financing Application

9 On July 16, 2008, in Docket No. W-04254A-08-0362 ("Financing Application Docket"),
10 Montezuma filed a Financing Application requesting authority to obtain a loan of \$150,000 from the
11 Water Infrastructure Finance Authority of Arizona ("WIFA") to cover the expense of an arsenic
12 treatment system.

13 On January 14, 2009, Montezuma filed a copy of a WIFA Project Financial Assistance
14 Priority List Application, dated June 3, 2008, requesting a WIFA loan of \$165,000 for arsenic
15 treatment facility acquisition and installation.

16 Staff has not yet made a filing in the Financing Application Docket.

17 Consolidation

18 Because this docket and the Financing Application Docket both deal with Montezuma's plan
19 to acquire and integrate into its system an arsenic treatment system, it appears that Commission
20 resources would be best used if the two dockets were consolidated. Thus, it is appropriate to require
21 each party to provide its opinion concerning whether consolidation should be ordered and, if either
22 party believes that consolidation should not be ordered, explaining why the issues in the two dockets
23 are not substantially the same and/or why the rights of either party would be prejudiced by
24 consolidation. In addition, Staff should indicate whether the consolidation would necessitate an
25 extension of Staff's deadline for its Staff Report and, if so, of what duration.

26 IT IS THEREFORE ORDERED that **Montezuma and Staff shall each, by February 3,**
27 **2009, file in this docket and the Financing Application Docket,** a document providing its opinion
28 concerning whether consolidation of this docket and the Financing Application Docket should be

1 ordered and, if the opinion is that consolidation should not be ordered, explaining why the issues in
2 the two dockets are not substantially the same and/or why the rights of either party would be
3 prejudiced by consolidation.

4 IT IS FURTHER ORDERED that **Staff shall indicate** in its filing **whether the consolidation**
5 **would necessitate an extension** of Staff's deadline for the Staff Report and, if so, the **duration** of
6 the extension needed.

7 IT IS FURTHER ORDERED that the **Commission's time frame for issuing a decision in**
8 **this matter is hereby extended by 11 days.**

9 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
10 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*
11 *hac vice*.

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

14 DATED this 23rd day of January, 2009.

15
16 
17 SARAH N. HARPRING
18 ADMINISTRATIVE LAW JUDGE

19
20 Copies of the foregoing mailed/delivered
this 23rd day of January, 2009 to:

21 Patricia D. Olsen, Manager
22 MONTEZUMA RIMROCK WATER
23 COMPANY, LLC
Post Office Box 10
Rimrock, Arizona 86335

Ernest Johnson, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 W. Washington Street
Phoenix, Arizona 85007

24 Janice Alward, Chief Counsel
25 Legal Division
26 ARIZONA CORPORATION COMMISSION
1200 W. Washington Street
Phoenix, Arizona 85007

27
28 By: 
Debra Broyles
Secretary to Sarah N. Harpring