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COMMISSIONERS  
KRISTIN K. MAYES - Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP



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Executive Director

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ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

OCT 19 2009

DATE: OCTOBER 19, 2009

DOCKET NO.: W-02105A-08-0262

TO ALL PARTIES:

DOCKETED BY [Signature]

Enclosed please find the recommendation of Administrative Law Judge Sarah N. Harpring. The recommendation has been filed in the form of an Order on:

MOUNT TIPTON WATER CO., INC.  
(EXTENSION OF TIME DEADLINE CONTAINED  
IN DECISION NO. 70559 AND AMENDED IN DECISION NO. 70837)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

OCTOBER 28, 2009

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

**TO BE DETERMINED**

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

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[Signature]  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 KRISTIN K. MAYES, Chairman  
4 GARY PIERCE  
5 PAUL NEWMAN  
6 SANDRA D. KENNEDY  
7 BOB STUMP

8 IN THE MATTER OF THE APPLICATION  
9 OF MOUNT TIPTON WATER CO., INC.  
10 FOR AN EMERGENCY RATE INCREASE.

DOCKET NO. W-02105A-08-0262

DECISION NO. \_\_\_\_\_

**ORDER EXTENDING TIME  
DEADLINE CONTAINED IN  
DECISION NO. 70559 AND  
AMENDED IN DECISION NO. 70837**

11 Open Meeting  
12 Phoenix, Arizona

13 **BY THE COMMISSION:**

14  
15 Having considered the entire record herein and being fully advised in the premises, the  
16 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

17 \* \* \* \* \*

18 **FINDINGS OF FACT**

19 1. Pursuant to a Certificate of Convenience and Necessity granted in Decision No. 40644  
20 (May 26, 1970), Mount Tipton Water Co., Inc. ("Mount Tipton") provides water service to  
21 approximately 740 metered customers in an area centered in Dolan Springs, Arizona, which is  
22 approximately 35 miles northwest of Kingman in Mohave County.

23 2. Mount Tipton is a nonprofit Arizona corporation and was classified as a Class C utility  
24 in its last full rate case in 2004.

25 3. On October 23, 2008, in Decision No. 70559, the Commission granted Mount Tipton  
26 emergency rate relief in the form of an emergency interim surcharge of \$10.00 per month per metered  
27 customer, with the condition that the surcharge would not become effective and could not be billed  
28 for or collected until the first day of the month after Mount Tipton had both posted with the

1 Commission a performance bond or irrevocable sight draft letter of credit (“ISDLOC”) in the amount  
2 of \$20,000 and filed with the Commission a Certificate of Good Standing<sup>1</sup> to establish that Mount  
3 Tipton had come into good standing with the Commission’s Corporations Division. In Decision No.  
4 70838, issued on March 17, 2009, the Commission amended Decision No. 70559 by reducing the  
5 amount of the performance bond or ISDLOC to \$5,000. Mount Tipton filed its ISDLOC with the  
6 Commission’s Business Office on March 19, 2009, and began collecting the emergency interim  
7 surcharge from its customers on April 1, 2009.

8 4. Decision No. 70559 also required Mount Tipton to file an application for a permanent  
9 rate case by April 30, 2009, and to bring the application to sufficiency by July 31, 2009. These  
10 deadlines have since been extended by the Commission, in Decision No. 70837 (March 17, 2009) and  
11 at the Open Meeting of March 3, 2009, to October 2, 2009, and December 31, 2009, respectively.  
12 Thus, Decision No. 70559, as amended, now provides that Mount Tipton may collect the emergency  
13 interim surcharge until the effective date of the decision in its permanent rate case, unless it fails to  
14 bring its permanent rate case application to sufficiency by December 31, 2009, in which case the  
15 emergency interim surcharge will expire on that date. Decision No. 70559 further provides that if  
16 Mount Tipton’s permanent rate case application is not found to be sufficient by the established  
17 deadline, the Commission’s Utilities Division Staff (“Staff”) shall file an Order to Show Cause to  
18 install an interim manager and address any other appropriate remedies. Decision No. 70837  
19 reiterated that a Petition for an Order to Show Cause to appoint an interim manager would be  
20 appropriate if Mount Tipton shows that it is unable to bring its permanent rate case application to  
21 sufficiency by December 31, 2009.

22 30. On September 25, 2009, Mount Tipton filed a Motion for an Extension to File Rate  
23 Application, requesting that the deadline to file its permanent rate case application be extended to  
24 October 23, 2009 (“Motion”). Mount Tipton stated that it had recently engaged both an attorney and  
25 a consultant to assist it with its rate case and that its business manager, Charlotte Cleveland, the lead  
26 staff person working with the consultant to compile the information needed for the rate application,  
27

28 <sup>1</sup> Mount Tipton filed a Certificate of Good Standing on March 4, 2009.

1 had unexpectedly resigned several days prior to the date of the Motion. Mount Tipton stated that, as  
2 a result of Ms. Cleveland's departure and the consultant's being involved with another rate  
3 application due by October 1, it was extremely unlikely that Mount Tipton could file a well-reasoned  
4 rate application with supporting documentation by October 2, 2009. Mount Tipton added that it was  
5 not seeking to extend the sufficiency deadline of December 31, 2009.

6 31. On October 13, 2009, Staff filed a Memorandum regarding Mount Tipton's Motion.  
7 Staff stated that it had discussed the Motion with Mount Tipton's consultant on approximately  
8 September 30, 2009, and learned that Mount Tipton had hired a new business manager, Michelle  
9 Monzillo, to replace Ms. Cleveland.<sup>2</sup> The consultant expressed uncertainty, however, regarding  
10 whether Mount Tipton would be able to meet the October 23, 2009, filing deadline requested in its  
11 Motion. Staff stated that on October 5, 2009, Staff received an e-mail from Mount Tipton's attorney  
12 that Staff accepted as an amendment to the Motion. According to Staff, Mount Tipton's attorney  
13 requested that the filing deadline be extended to November 13, 2009, to allow the consultant adequate  
14 time to prepare the rate application, and reiterated that Mount Tipton is not seeking to extend the  
15 sufficiency deadline of December 31, 2009. Staff recommends that Mount Tipton's Motion, as  
16 amended, be granted. Staff stated that Mount Tipton will be expected to provide a cleaner, better  
17 documented rate case application that will result in very limited sufficiency issues.

18 32. In light of the recent change in Mount Tipton's business manager, and Mount Tipton's  
19 continuing commitment to bring its permanent rate case application to sufficiency by December 31,  
20 2009, it is reasonable to grant Mount Tipton's Motion, as amended, allowing it to file its permanent  
21 rate case application by November 13, 2009.

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23  
24 <sup>2</sup> We remind Mount Tipton that if it desires to have Miss Monzillo sign documents and make filings with the  
25 Commission on Mount Tipton's behalf, as Miss Cleveland did, Mount Tipton needs to ensure that Miss Monzillo is  
26 specifically authorized to do so by the Board through a resolution that must be filed with the Commission in each active  
27 Mount Tipton docket. The same requirement must be met if Mount Tipton desires to have Tim Clark, its Field Manager,  
28 file documents with the Commission on Mount Tipton's behalf.

We also remind Mount Tipton that it needs to have its new employee complete and file with the Commission the  
attestation required by Decision No. 70836 (March 17, 2009).

We further advise Mount Tipton that it should have its new employee familiarize herself with all of the recent  
Decisions involving Mount Tipton—including Decision No. 70559 (October 23, 2008), Decision No. 70744 (February  
12, 2009), Decision No. 70836 (March 17, 2009), Decision No. 70837 (March 17, 2009), Decision No. 70838 (March 17,  
2009), and Decision No. 71166 (June 16, 2009)—and with the Procedural Order issued in this Docket on March 20, 2009.

**CONCLUSIONS OF LAW**

1  
2 1. Mount Tipton is a public service corporation within the meaning of Article XV of the  
3 Arizona Constitution and A.R.S. §§ 40-250 and 40-251.

4 2. The Commission has jurisdiction over Mount Tipton and the subject matter of the  
5 Motion.

6 3. Because Mount Tipton is not requesting an extension of the sufficiency date for its  
7 permanent rate case application, Staff's recommendation that Mount Tipton be provided an extension  
8 of time to file its permanent rate case application is reasonable and should be adopted.

9 **ORDER**

10 IT IS THEREFORE ORDERED that Mount Tipton Water Co., Inc. is hereby granted an  
11 extension of time, until November 13, 2009, to file the permanent rate case application required by  
12 Decision No. 70559.

13 IT IS FURTHER ORDERED that all other requirements of Decision No. 70559, as previously  
14 amended by the Commission, shall remain in effect.

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IT IS FURTHER ORDERED that Mount Tipton Water Co., Inc. shall ensure that all filings made with the Commission are signed by at least one officer or employee who has been authorized to represent Mount Tipton before the Commission through a board resolution filed with the Commission's Docket Control.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN \_\_\_\_\_ COMMISSIONER \_\_\_\_\_

COMMISSIONER \_\_\_\_\_ COMMISSIONER \_\_\_\_\_ COMMISSIONER \_\_\_\_\_

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT \_\_\_\_\_

DISSENT \_\_\_\_\_

1 SERVICE LIST FOR:

MOUNT TIPTON WATER CO., INC.

2

3 DOCKET NO.:

DOCKET NO. W-02105A-08-0262

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