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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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ARIZONA CORP COMMISSION  
DOCKET CONTROL

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF  
TUSAYAN WATER DEVELOPMENT  
ASSOCIATION, INC. FOR ESTABLISHMENT  
OF RATES FOR WATER SERVICE.

DOCKET NO. W-02350A-10-0163

REQUEST FOR PROCEDURAL  
CONFERENCE

The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") files this request for a Procedural Conference. Staff has also filed this request in two other dockets, as these matters are interrelated, as set forth below.

On April 29, 2010, Tusayan Water Development Association, Inc. ("Tusayan" or "Company") filed an application for a rate increase. According to the Company's application, Tusayan purchases water from "two water companies", Hydro Resources, Inc. ("Hydro") and Anasazi Water Company, LLC ("Anasazi"). Tusayan further stated in its application that it does not own the water distribution systems. According to the Company, the water a customer receives and the charge to the customer for that water depends upon the customer's location and to which water system they are connected. Tusayan then bills the customer and collects the receipts. Staff issued a letter of insufficiency on June 4, 2010, noting several deficiencies and invited the Company to meet with Staff to discuss its application.

After meeting with representatives of Hydro and Anasazi, Staff was concerned that Hydro and Anasazi may be acting as public service corporations. Both companies were notified of Staff's concerns by letter dated July 21, 2010 and were requested to either file for application for a CC&N or an application to be adjudicated not a public service corporation. Both companies have filed applications to be adjudicated.

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1 The issues in these matters are complex and interrelated. Staff would recommend, at a  
2 minimum, suspension of the rate application, pending the resolution of the adjudication petitions of  
3 Hydro and Anasazi.

4 RESPECTFULLY SUBMITTED this 2<sup>nd</sup> day of December, 2010.

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7 Robin K. Mitchell, Staff Attorney  
8 Wesley C. Van Cleve, Staff Attorney  
9 Legal Division  
10 Arizona Corporation Commission  
11 1200 West Washington Street  
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14 Original and thirteen (13) copies  
15 of the foregoing were filed this  
16 2<sup>nd</sup> day of December, 2010 with:

17 Docket Control  
18 Arizona Corporation Commission  
19 1200 West Washington Street  
20 Phoenix, Arizona 85007

21 Copies of the foregoing were mailed  
22 this 2<sup>nd</sup> day of December, 2010 to:

23 Chris Brainard  
24 TUSAYAN WATER DEVELOPMENT  
25 ASSOCIATION, INC.  
26 P.O. Box 520  
27 Grand Canyon, Arizona 86023

28 Garry D. Hays  
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