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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF ANASAZI WATER CO., LLC FOR ADJUDICATION "NOT A PUBLIC SERVICE CORPORATION."

DOCKET NO. W-20765A-10-0432

PROCEDURAL ORDER

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BY THE COMMISSION:

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On April 29, 2010, in Docket No. W-02350A-10-0163 ("Tusayan Docket"), Tusayan Water Development Association, Inc. ("Tusayan") filed with the Arizona Corporation Commission ("Commission") a rate application using a test year ending December 31, 2009. In its application, Tusayan states that it was directed to file the application by a Commission letter dated November 16, 2009. Tusayan explains that it does not own any of the facilities used in pumping or distributing water or any other property, plant, or equipment, and that it purchases water from two water companies and bills its customers for the water used. Tusayan states that each of its 36 customers (5 residential and 31 commercial) receives water from one of two separate distribution systems owned and operated by the two separate water companies, with the serving system determined based on the customer's location. One of the water companies is identified as Hydro Resources, for which the billing rate is \$24.50 per 1,000 gallons. The other water company is identified as Anasazi Water Co., for which the billing rate is \$55.00 per 1,000 gallons. Tusayan assesses a fee on each bill of \$0.0004 per gallon to cover its administrative costs. Tusayan is not requesting a rate increase.

On July 21, 2010, in the Tusayan Docket, the Commission's Utilities Division ("Staff") filed two letters issued the same day, one to Hydro-Resources, Inc. ("Hydro") and one to Anasazi Water Company, LLC ("Anasazi"). Each letter thanks the recipient for taking the time to talk with Staff regarding the recipient's relationship with Tusayan, states that Staff believes that the recipient may be acting as a public service corporation, asks the recipient to file within 90 days either an application

1 for a CC&N or a request to be adjudicated not a public service corporation, and states that failure to
2 take action may result in the filing of a complaint and a petition for an order to show cause regarding
3 why the recipient should not be subject to Commission regulation.

4 On October 21, 2010, Anasazi filed, in this docket, an Application for Adjudication "Not a
5 Public Service Corporation" ("Anasazi Adjudication Application").

6 On November 19, 2010, Hydro filed, in Docket No. W-20770A-10-0473 ("Hydro Docket"),
7 Hydro-Resources, Inc.'s Application for a Determination That It Is Not Acting as a Public Service
8 Corporation in Tusayan, Arizona ("Hydro Adjudication Application").

9 On December 2, 2010, in each of the three dockets (this docket, the Tusayan Docket, and the
10 Hydro Docket), Staff filed a Request for Procedural Conference. In each Request, Staff requests a
11 procedural conference; states that the matters in the three dockets are complex and interrelated; and
12 states that Staff recommends, at a minimum, suspension of Tusayan's rate application, pending the
13 resolution of the Anasazi Adjudication Application and the Hydro Adjudication Application.

14 In light of the complicated and interrelated nature of the matters in the three dockets, it is
15 appropriate to grant Staff's request for a procedural conference and to hold a joint procedural
16 conference involving all three dockets, at which the parties to all three dockets shall be prepared to
17 discuss (1) whether the three dockets should be consolidated and (2) how the three dockets should
18 proceed.

19 **IT IS THEREFORE ORDERED that a joint procedural conference involving this docket,**
20 **the Tusayan Docket, and the Hydro Docket shall be held on January 4, 2011, at 10:00 a.m., or as**
21 **soon thereafter as is practicable, at the Commission's offices, Hearing Room #1, 1200 West**
22 **Washington, Phoenix, Arizona 85007.**

23 **IT IS FURTHER ORDERED that the joint procedural conference shall be attended by the**
24 **parties from this docket, the Tusayan Docket, and the Hydro Docket, all of whom shall be prepared to**
25 **discuss (1) whether the three dockets should be consolidated and (2) how the three dockets should**
26 **proceed.**

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

1 *pro hac vice.*

2 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
3 Communications) applies to this proceeding and shall remain in effect until the Commission's
4 Decision in this matter is final and non-appealable.

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

7 DATED this 10th day of December, 2010.



SARAH N. HARPRING
ADMINISTRATIVE LAW JUDGE

12 Copies of the foregoing mailed/delivered
13 this 10th day of December, 2010, to:

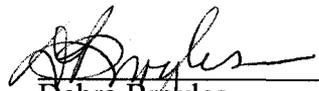
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15 TUSAYAN WATER DEVELOPMENT
16 ASSOCIATION, INC.
17 P.O. Box 520
18 Grand Canyon, AZ 86023

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