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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

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AZ CORP COMMISSION
DOCKET CONTROL

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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

PROCEDURAL ORDER

BY THE COMMISSION:

On April 29, 2010, 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 June 4, 2010, the Commission's Utilities Division ("Staff") issued a Letter of Insufficiency in this docket, stating that Tusayan's application does not meet the sufficiency requirements outlined in Arizona Administrative Code ("A.A.C.") R14-2-103, that Tusayan needs to familiarize itself with the Commission's rules related to rate case filings, and that Staff would like to

1 meet with Tusayan to assist it in understanding the process. Staff requested that Tusayan contact
2 Staff within 15 days of receiving the letter.

3 On July 2, 2010, Tusayan Ventures LLC ("TV") filed an Application for Leave to Intervene,
4 requesting that it be permitted to intervene in this matter because TV and its affiliate companies are
5 the owners and developers of property located within Tusayan's CC&N service area and thus will be
6 directly and substantially affected by the Commission's decision in this matter.

7 Tusayan did not file a response to the intervention request.

8 On July 19, 2010, a Notice of Intervention Procedural Order was issued granting TV
9 intervention in this matter.

10 On July 21, 2010, Staff filed in this docket two letters issued that day, one to Hydro-
11 Resources, Inc. ("Hydro") and one to Anasazi Water Company, LLC ("Anasazi"). Each letter thanks
12 the recipient for taking the time to talk with Staff regarding the recipient's relationship with Tusayan,
13 states that Staff believes that the recipient may be acting as a public service corporation, asks the
14 recipient to file within 90 days either an application for a CC&N or a request to be adjudicated not a
15 public service corporation, and states that failure to take action may result in the filing of a complaint
16 and a petition for an order to show cause regarding why the recipient should not be subject to
17 Commission regulation.

18 On October 21, 2010, Anasazi filed, in Docket No. W-20765A-10-0432 ("Anasazi Docket"),
19 an Application for Adjudication "Not a Public Service Corporation" ("Anasazi Adjudication
20 Application").

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

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

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

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

10 IT IS FURTHER ORDERED that the joint procedural conference shall be attended by the
11 parties from this docket, the Anasazi Docket, and the Hydro Docket, all of whom shall be prepared to
12 discuss (1) whether the three dockets should be consolidated and (2) how the three dockets should
13 proceed.

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

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

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

22 DATED this 10th day of December, 2010.

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26 SARAH N. HARPRING
27 ADMINISTRATIVE LAW JUDGE
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1 Copies of the foregoing mailed/delivered
2 this 10th day of December, 2010, to:

3 Chris Brainard
4 TUSAYAN WATER DEVELOPMENT
5 ASSOCIATION, INC.
6 P.O. Box 520
7 Grand Canyon, AZ 86023

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37 By: 
38 Debra Broyles
39 Secretary to Sarah N. Harpring

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