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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE – Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS

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AZ CORP COM HISS JAN  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

JAN 5 2011

DOCKETED BY [Signature]

IN THE MATTER OF THE COMMISSION ON ITS OWN MOTION INVESTIGATING THE FAILURE OF TRUXTON CANYON WATER COMPANY TO COMPLY WITH COMMISSION RULES AND REGULATIONS.

DOCKET NO. W-02168A-10-0247

**PROCEDURAL ORDER**  
**(Grants Intervention)**

**BY THE COMMISSION:**

On June 23, 2010, the Staff of the Utilities Division (“Staff”) of the Arizona Corporation Commission (“Commission”) filed a Complaint and Petition for Order to Show Cause (“OSC”) against Truxton Canyon Water Company (“Truxton”), an Arizona Public Service Corporation. Staff alleges Truxton is in violation of Arizona law, Commission Rules and Regulations, Arizona Revised Statutes, and the Arizona Constitution.

On August 10, 2010, the Commission issued Decision No. 71837, ordering Truxton to appear and show cause why its actions do not constitute a violation of Arizona law and the Commission’s Rules and Regulations. The Decision also directed the Hearing Division to conduct further proceedings in this matter.

On August 16, 2010, by Procedural Order, a procedural conference was scheduled for September 1, 2010, to discuss the procedural schedule for this proceeding.

On September 1, 2010, the procedural conference was held as scheduled. Truxton and Staff appeared through counsel. During the proceeding, hearing dates and other procedural deadlines were discussed.

On September 2, 2010, by Procedural Order, the hearing in this matter was scheduled to begin on January 18, 2011, and among other things, Staff was directed to file its Staff Report or direct testimony in this matter on or before October 18, 2010.

On October 7, 2010, Staff filed a motion for an extension of time, until October 29, 2010, to

1 file its direct testimony ("Motion") in this matter. Staff stated that due to difficulty in coordinating a  
2 site visit with Truxton and the Arizona Department of Environmental Quality ("ADEQ"), Staff  
3 needed additional time to file its Staff Report. Staff further stated that the site visit was important to  
4 Staff's review of Truxton's infrastructure, as well as to verify Truxton's assertion that actions have  
5 been taken to bring the Company substantially in compliance with Commission Rules and with  
6 ADEQ. In addition to the above factors, Staff stated that due to the large volume of information  
7 requested by and provided to Staff, and due to Staff's limited resources, more time was needed, until  
8 October 29, 2010, to file its direct testimony. There were no objections to Staff's Motion.

9 On October 14, 2010, by Amended Procedural Order, Staff's Motion was granted.

10 On November 10, 2010, Staff filed a Notice of Filing Direct Testimony.

11 On December 10, 2010, Truxton filed a Disclosure of Documents and Rebuttal Testimony and  
12 Potential Exhibits.

13 On December 21, 2010, Valle Vista Property Owners Association, Inc. (the "Association")  
14 filed a Motion to Intervene stating that as customers, property owners, and as an Arizona  
15 Corporation, any Complaints, Staff recommendations, and potential management and rate changes  
16 will have a serious impact upon the Association.

17 On December 23, 2010, Staff filed a Notice of Filing Surrebuttal Testimony.

18 No objections have been filed to the Association's Motion to Intervene and therefore the  
19 Association's Motion to Intervene should be granted. Further, Truxton should provide notice of the  
20 hearing to its customers.

21 **IT IS THEREFORE ORDERED that Valle Vista Property Owners Association, Inc. is**  
22 **hereby granted intervention in this proceeding.**

23 **IT IS FURTHER ORDERED that a representative for the Valle Vista Property Owners**  
24 **Association, Inc. shall appear for the January 13, 2011, pre-hearing conference to determine**  
25 **the extent of Valle Vista Property Owners Association, Inc.'s intervention in this matter. If not**  
26 **represented by a licensed attorney, Valle Vista Property Owner Association, Inc., shall comply**  
27 **with Rule 31 of the Arizona Supreme Court's Rules of Practice.**

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1 IT IS FURTHER ORDERED that Truxton shall mail, via First Class Mail, to each of its  
2 customers, on or before January 13, 2011, notice of the hearing in this matter by enclosing a  
3 copy of the Procedural Order issued September 2, 2010, as well as a copy of Commission  
4 Decision No. 71837 (August 10, 2010).

5 IT IS FURTHER ORDERED that Truxton shall file by January 17, 2011, an affidavit  
6 indicating that notice of the hearing and Commission Decision No. 71837 has been mailed to  
7 each of its customers.

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

11 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance  
12 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the  
13 Rules of Arizona Supreme Court). Representation before the Commission includes appearance at all  
14 hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled  
15 for discussion, unless counsel has previously been granted permission to withdraw by the  
16 Administrative Law Judge or the Commission.

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

19 DATED this 5<sup>th</sup> day of January, 2011.

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22   
23 YVETTE B. KINSEY  
24 ADMINISTRATIVE LAW JUDGE  
25  
26  
27  
28

1 Copies of the foregoing mailed/delivered  
2 this 5th day of January, 2011 to:

3 B. Marc Neal  
4 Mike Neal  
5 TRUXTON CANYON WATER CO.  
6 7313 East Concho Drive, Suite B  
7 Kingman, AZ 86401

8 Steve Wene  
9 MOYES SELLERS & SIMS  
10 1850 North Central Avenue, Suite 1100  
11 Phoenix, AZ 85004

12 VALLE VISTA PROPERTY  
13 OWNERS ASSOCIATION, INC.  
14 9686 Concho Drive  
15 Kingman, AZ 86401

16 Janice Alward  
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18 ARIZONA CORPORATION COMMISSION  
19 1200 West Washington Street  
20 Phoenix, AZ 85007

21 Steven M. Olea, Director  
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26 By:   
27 Debra Broyles  
28 Secretary to Yvette B. Kinsey