

ORIGINAL



BEFORE THE ARIZONA CORPORATION COM

0000121896

RECEIVED

2011 JAN 10 P 4:11

AZ OCRP COMMISSION
DOCKET CONTROL

COMMISSIONERS

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

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

JOINT STATUS REPORT

A Procedural Order was issued on September 2, 2010 setting a hearing date for the above captioned matter on January 18 and 19, 2011. The Procedural Order further required Truxton Canyon Water Company ("Company" or "Truxton") and Commission Staff ("Staff") to file a Joint Status Report discussing any issues that may have been resolved on or before January 10, 2011. At this point in time, the Parties are in disagreement over whether the issues contained in the Order to Show Cause ("OSC") have or have not been resolved.

It is Staff's position that it has not received from the Company any information or documentation that refutes the alleged violations contained in the OSC. Staff is aware of the efforts the Company has made to come into current compliance and believes those factors are linked to Staff's recommendations, and are not a resolution of the issues or allegations contained in the OSC.

At the Company's request, its December 30, 2010 Discovery Request, and Staff's Response, are being attached. The Discovery Request states the Company's position concerning the resolution of issues.

RESPECTFULLY SUBMITTED this 10th day of January, 2011.

Arizona Corporation Commission
DOCKETED

JAN 10 2011

DOCKETED BY

Kimberly A. Ruhl
Charles Hains
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

1 Original and thirteen (13) copies
2 of the foregoing filed this
3 10th day of January 2011 with:

4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington Street
7 Phoenix, Arizona 85007

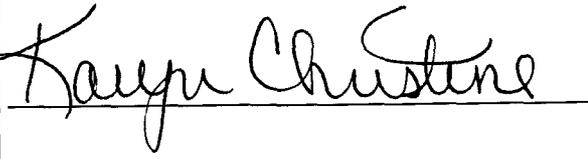
8 Copies of the foregoing mailed this
9 11th day of January 2011 to:

10 Mr. B. Marc Neal
11 7313 East Concho Drive, Suite B
12 Kingman, Arizona 86401

13 Mr. Mike Neal
14 7313 East Concho Drive, Suite B
15 Kingman, Arizona 86401

16 Steve Wene
17 Moyes Sellers & Sims
18 1850 North Central Avenue
19 Suite 1100
20 Phoenix, Arizona 85004

21 Valle Vista Property Owners Association, Inc.
22 9686 Concho Drive
23 Kingman, Arizona 86401

24
25
26
27
28


ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

Arizona Corporation Commission

DOCKETED

COMMISSIONERS

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

2011 JAN -6 P 2: 55

JAN 6 2011

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

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

**STAFF'S RESPONSE TO DISCOVERY
REQUEST - RE: IDENTIFICATION OF
CURRENT OUTSTANDING
REGULATORY ISSUES**

During a telephonic procedural conference on December 23, 2010, Judge Kinsey instructed Truxton Canyon Water Company ("Company" or "Truxton") to provide Staff with a document listing the items the Company believed it had either come into compliance with or is still out of compliance with, and documentation to substantiate it. The Company provided Staff with a Discovery Request on December 30, 2010, which listed three items the Company believes are current violations of the rules and statutes that govern the Arizona Corporation Commission. The Company also provided a three page print out of its Account List. Staff has reviewed the Discovery Request, attached document, and information provided during the course of discovery, and has prepared a list of the rules and statutes Staff believes the Company *may* still be violating.

Staff would note that the Company's current compliance with any statute or rule does not eliminate the allegations in the Order to Show Cause ("OSC") that the Company has violated numerous statutes and rules. Staff appreciates the Company's efforts to mitigate its noncompliance; however Staff continues to assert that violations of these statutes and rules have occurred.

Potentially in current Compliance

- A.R.S. §§40-221, 40-221(C), and A.A.C. R14-2-411(D)(2). The Company has provided Staff with a print out of the Company's Account list.
- A.A.C. R14-2-411(A)(1). Since the filing of the OSC, Staff's Consumer Services has received two ratepayer complaints. To Staff's knowledge, they were resolved in a timely manner.

- 1 • A.A.C. R14-2-411(A)(2). Since the filing of the OSC, Staff's Consumer
2 Services has received two ratepayer complaints. To Staff's knowledge, they
3 were resolved in a timely manner.
- 4 • A.R.S. §40-204(A). Staff has only requested information pertaining to the
5 OSC since the filing of the OSC. To Staff's knowledge, the information
6 provided by the Company is accurate.
- 7 • A.R.S. §40-204(B). Since the filing of the OSC, Staff has only requested
8 information pertaining to the OSC.

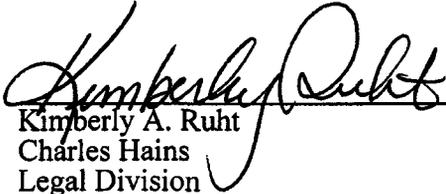
Potentially Not in Compliance or Staff has not been provided enough information to make a determination.

- 9 • A.R.S. §40-321. The Company has not supplied Staff with a signed Consent
10 Order from ADEQ, demonstrating it is in the processes of becoming
11 compliant with ADEQ.
- 12 • A.A.C. R14-2-407(A). Company admits its wells currently exceed the
13 maximum level of contamination set by the Environmental Protection
14 Agency.
- 15 • A.A.C. R14-2-407(C). The Company has not supplied Staff with a signed
16 Consent Order from ADEQ. Company admits its wells currently exceed the
17 maximum level of contamination set by the Environmental Protection
18 Agency.
- 19 • A.R.S. §40-301(B). Company admits it has not obtained Commission
20 approval for financing/long term debt. To date, Company has not applied for
21 approval.
- 22 • A.R.S. §40-302(A). Company admits it has not obtained Commission
23 approval for financing/long term debt. Company has to date not applied for
24 approval.
- 25 • A.A.C. R14-2-406(M). Company admits it is still in negotiations concerning
26 the Bacus Complaint. The Company has not filed for approval of any
27 previously entered main extension agreements with the Utilities Division. To
28 Staff's knowledge, the Company has not entered into any new main
... extension agreement since the filing of the OSC, because nothing has been
... filed with the Utilities Division for approval.
- A.R.S. §40-202(L). The Company has admitted to exceeding the arsenic
maximum level of contamination; the company has admitted that it has not
requested approval for financing; any other violation of a statute or rule.
- A.A.C. R14-2-406(G). Staff has not received any information since the filing
of the OSC concerning new main extension agreements that the Company
may or may not have entered into.
- A.A.C. R14-2-207(E). Staff has not received any documentation from the
Company since the filing of the OSC to determine whether the Company is
providing a minimum delivery pressure of 20 psi to all customer meter points
or points of delivery.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- A.A.C. R14-2-409(D)(1). Staff has not received any information or documentation from the Company since the filing of the OSC to determine whether the Company is or is not currently billing under its tariff in relation to main extension agreements.
- A.A.C R14-2-411(D)(1). Staff has not received any documentation or documentary evidence from the Company since the filing of the OSC to determine whether co-mingling between the Company and the Neil Family Trust has ceased.

RESPECTFULLY SUBMITTED this 6th day of January, 2011.



 Kimberly A. Ruht
 Charles Hains
 Legal Division
 Arizona Corporation Commission
 1200 West Washington Street
 Phoenix, Arizona 85007
 (602) 542-3402

Original and thirteen (13) copies of the foregoing filed this 6th day of January, 2011, with:

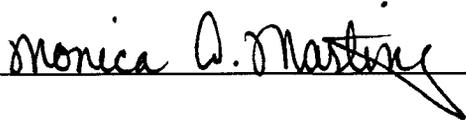
Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Copies of the foregoing mailed this 6th day of January, 2011, to:

Mr. B. Marc Neal
7313 East Concho Drive, Suite B
Kingman, Arizona 86401

Steve Wene
Moyes Sellers & Sims
1850 North Central Avenue, Suite 1100
Phoenix, Arizona 85004

Valle Vista Property Owners Association, Inc.
9686 Concho Drive
Kingman, Arizona 86401



ATTACHMENT A

1 Steve Wene, State Bar No. 019630
2 MOYES SELLERS & SIMS LTD.
3 1850 N. Central Ave., Suite 1100
4 Phoenix, Arizona 85004
5 Telephone: 602-604-2141
6 swene@lawms.com
7 Attorneys for Truxton Canyon Water Company

BEFORE THE ARIZONA CORPORATION COMMISSION

8
9 IN THE MATTER OF THE
10 COMMISSION ON ITS OWN MOTION
11 INVESTIGATING THE FAILURE OF
12 TRUXTON CANYON WATER
13 COMPANY TO COMPLY WITH
14 COMMISSION RULES AND
15 REGULATIONS.

DOCKET NO. W-02168A-10-0247

**DISCOVERY REQUEST RE
IDENTIFICATION OF CURRENT
OUTSTANDING REGULATORY
ISSUES**

14 Pursuant to instructions by Administrative Law Judge Kinsey, Truxton Canyon
15 Water Company ("Company"), by and through its attorney undersigned, submits this
16 discovery document identifying what the Company believes are the current violations of
17 Arizona Corporation Commission ("Commission") regulatory rules as follows:
18

- 19 • The source water pumped from one well which supplies water to the Company
20 exceeds the arsenic MCL (Complaint at ¶ 8).
- 21 • The main extension agreement dispute with Jim Bacus (Complaint at ¶ 27) has not
22 been resolved (the Company has agreed to refund the money to Mr. Bacus on
23 terms requested by Mr. Bacus, but the agreement has not been executed).
- 24
- 25

