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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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AZ CORP COMMISSION  
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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**  
**GRANTING EXTENSION OF TIME**

**BY THE COMMISSION:**

On June 16, 2011, Truxton Canyon Water Company (“Truxton”) timely filed an application for reconsideration of Arizona Corporation Commission (“Commission”) Decision No. 72386 (May 27, 2011).

On June 28, 2011, the Commission issued Decision No. 72448, granting rehearing of Decision No. 72386 for the limited purpose of further consideration.

At its August 16, 2011 Open Meeting, the Commission further considered these matters and heard comments from the parties concerning rehearing of Decision No. 72386. The Commission found and concluded that rehearing should be granted for Decision No. 72386.

On August 24, 2011, the Commission issued Decision No. 72548 granting Truxton’s request for rehearing. Decision No. 72548 did not limit the scope on rehearing to Truxton’s request for reconsideration, but stated that the rehearing proceedings should provide an opportunity for all parties to raise any issues presented in this docket. The Decision directed the Hearing Division to conduct appropriate proceedings for rehearing and to prepare a Recommended Opinion and Order for the Commission’s consideration. The Decision stated that the parties may raise issues related to whether the Claude K. Neal Family Trust (“Trust”) is a public service corporation; directed Truxton to file a proposed interim tariff for Commission approval for water service to Valle Vista Property Owners Association, Inc. (“Valle Vista”); and allowed Valle Vista to file a response or alternative proposal to Truxton’s proposed tariff.

1 On August 29, 2011, by Procedural Order, a procedural conference was set for September 9,  
2 2011, to establish a procedural schedule for the rehearing proceeding.

3 On September 1, 2011, counsel for Truxton filed a Motion to Reschedule the Procedural  
4 Conference. The Motion stated that counsel for Truxton had a scheduling conflict which required  
5 counsel to appear in Superior Court at the same time as the procedural conference scheduled in this  
6 matter. The Motion further stated that based upon the availability of all attorneys involved in the  
7 above-captioned case, Truxton requested that the procedural conference be rescheduled for  
8 September 16, 2011.

9 On the same date, Truxton filed a Notice of Filing Interim Tariff.

10 On September 7, 2011, by Procedural Order, the procedural conference scheduled for  
11 September 9, 2011, was rescheduled to September 16, 2011.

12 On September 16, 2011, a procedural conference was held as scheduled. The Commission's  
13 Utilities Division ("Staff"), Truxton, and intervenor Valle Vista appeared through counsel.  
14 Discussions were held among the parties regarding a procedural schedule for the rehearing  
15 proceeding. Counsel for Truxton and Valle Vista stated that they needed additional time to conduct  
16 discovery. Staff stated it did not anticipate filing any additional testimony, nor would it be  
17 conducting further discovery. The parties recommended that the hearing be set for approximately 45  
18 days from the date of the procedural conference.

19 On the same date, Valle Vista filed a response to Truxton's proposed interim tariff, requesting  
20 that the Commission not adopt the proposed tariff.

21 On September 26, 2011, a Procedural Order was issued scheduling the rehearing for February  
22 16 and 17, 2012, and establishing other procedural deadlines.

23 On November 23, 2011, Staff filed a Motion for an Extension of Time. The Motion stated  
24 that due to Staff's current workload, Staff required an additional five days or until December 2, 2011,  
25 to file its testimony. Staff's Motion also stated that in discussions with Valle Vista and Truxton,  
26 Valle Vista had requested that its deadline for filing its testimony be extended from November 28,  
27 2011 to December 5, 2011. Truxton did not object to Staff's and Valle Vista's request for an  
28 extension of time.

1 On December 1, 2011, a Procedural Order was issued that extended the deadline for filing  
2 testimony and exhibits for both Staff and Valle Vista until December 5, 2011.

3 On December 5, 2011, Valle Vista filed its testimony and exhibits.

4 On the same date, Staff filed an update to Staff's previously filed testimony in this matter.  
5 Staff's update included, among other things, updates on maintenance issues; outstanding main  
6 extension agreements; compliance with National Association of Regulatory Utility Commission  
7 Uniform Systems of Accounts ("NARUC"); and compliance with the Arizona Department of  
8 Environmental Quality ("ADEQ"). Although Staff provided an update, Staff did not file exhibits that  
9 supported the information and conclusions provided in the update.<sup>1</sup>

10 On December 23, 2011, by Procedural Order, the hearing dates were continued to February 29  
11 and March 1, 2012; a pre-hearing conference was scheduled for February 22, 2011; Staff was given  
12 additional time, until January 6, 2012, to file any exhibits related to its pre-filed testimony and its  
13 update; and the remaining filing dates were extended accordingly.

14 On January 6, 2012, Staff filed a supplement to Staff's testimony.

15 On January 27, 2012, Truxton filed the Rebuttal Testimony of Mr. Rick Neal along with  
16 associated exhibits.

17 On February 3, 2012, Staff filed a Motion to Extend Time for Staff to file its surrebuttal  
18 testimony ("Motion"). Staff requests an extension of time, until February 8, 2012, to file its  
19 surrebuttal testimony. Staff also requests that Truxton's deadline for filing rejoinder testimony be  
20 extended to February 15, 2012. Staff states that due to numerous hearings, settlement discussions, as  
21 well as scheduling requirements, Staff needs additional time.

22 Staff's request for additional time, until February 8, 2012, to file its surrebuttal testimony is  
23 reasonable and should be granted. It is also appropriate to grant Truxton additional time until  
24 February 15, 2012, to file its rejoinder testimony.

25 IT IS THEREFORE ORDERED that Staff's request for an extension of time, until February  
26 8, 2012, to file its surrebuttal testimony is hereby granted.

27 <sup>1</sup> For example, Staff concluded that the Trust and Truxon and other entities have been comingling funds and that Truxton  
28 is not maintaining its books as required by NARUC, but did not include the exhibits associated with Staff's conclusions.  
Also Staff's update stated it would address whether the Trust is selling water to other entities within Truxton's CC&N,  
but no information on the subject was provided in the update.

1 IT IS FURTHER ORDERED that **Truxton's** time to file its **rejoinder testimony** is hereby  
2 extended to **February 15, 2012**.

3 IT IS FURTHER ORDERED that all other dates set forth in the December 23, 2011,  
4 Procedural Order, shall remain unchanged.

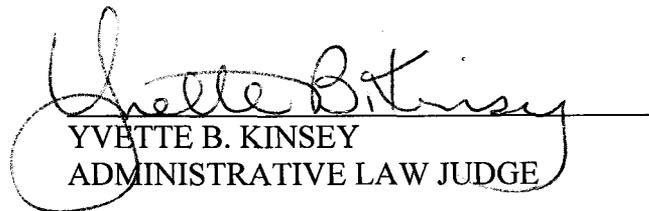
5 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized  
6 Communications) applies to this proceeding, as the matter is now set for public hearing, and shall  
7 remain in effect until the Commission's Decision in this matter is final and non-appealable.

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

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

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

18 DATED this 8<sup>th</sup> day of February, 2012.

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21   
22 YVETTE B. KINSEY  
23 ADMINISTRATIVE LAW JUDGE  
24

25 Copies of the foregoing mailed/delivered  
26 this 8<sup>th</sup> day of February, 2012 to:

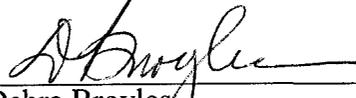
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24 Secretary to Yvette B. Kinsey  
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