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BEFORE THE ARIZONA CORPORATION C

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

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2012 JUL 16 P 2:59

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

**IN THE MATTER OF THE APPLICATION  
OF MONTEZUMA RIMROCK WATER  
COMPANY, L.L.C. FOR APPROVAL OF  
FINANCING TO INSTALL A WATER LINE  
FROM THE WELL ON TIEMAN TO WELL  
#1 ON TOWERS.**

**DOCKET NO. W-04254A-12-0204**

**STAFF'S RESPONSE TO  
PROCEDURAL ORDER**

On May 31, 2012, Montezuma Rimrock Water Company ("MRWC" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for a rate increase as well as three separate financing applications. On June 7, 2012, Mr. John E. Dougherty III filed a motion to intervene in the various applications. Additionally, Mr. Dougherty requested consolidation of the various matters and that there be a hearing for the consolidated matter. On June 25, 2012, a procedural order was issued granting Mr. Dougherty's request for intervention as well as directing Commission Utilities Division Staff ("Staff") and the Company to respond to Mr. Dougherty's request for consolidation and for an evidentiary hearing.

Staff believes that consolidation of the three financing dockets and the rate case docket is appropriate. Consolidation of the financing applications with the rate case facilitates the determination of what would constitute a reasonable rate increase to support such financing as the Commission approves.

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Arizona Corporation Commission  
**DOCKETED**  
JUL 16 2012  
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1 Staff has no position on whether there should be an evidentiary hearing in this matter. A  
2 hearing on the rate case is not required by rule because the Company is below a Class C utility.  
3 However, Staff would not oppose having an evidentiary hearing in this matter.

4 RESPECTFULLY SUBMITTED this 16<sup>th</sup> day of July, 2012.

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7 Charles H. Hains  
8 Wesley C. Van Cleve  
9 Attorneys, Legal Division  
10 Arizona Corporation Commission  
11 1200 West Washington Street  
12 Phoenix, Arizona 85007  
13 (602) 542-3402

11 Original and thirteen (13) copies  
12 of the foregoing filed this  
13 16<sup>th</sup> day of July, 2012, with:

13 Docket Control  
14 Arizona Corporation Commission  
15 1200 West Washington Street  
16 Phoenix, Arizona 85007

16 Copy of the foregoing mailed this  
17 16<sup>th</sup> day of July, 2012, to:

18 Patricia D. Olsen  
19 Montezuma Rimrock Water Co.  
20 P.O. Box 10  
21 4615 East Goldmine Road  
22 Rimrock, Arizona 86335

21 John E. Dougherty III  
22 P.O. Box 501  
23 Rimrock, Arizona 86335

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