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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

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

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF MONTEZUMA RIMROCK WATER COMPANY, LLC FOR APPROVAL OF FINANCING TO INSTALL A WATER LINE FROM THE WELL ON TIEMAN TO WELL NO. 1 ON TOWERS.

DOCKET NO. W-04254A-12-0204

IN THE MATTER OF THE APPLICATION OF MONTEZUMA RIMROCK WATER COMPANY, LLC FOR APPROVAL OF FINANCING TO PURCHASE THE WELL NO. 4 SITE AND THE COMPANY VEHICLE.

DOCKET NO. W-04254A-12-0205

IN THE MATTER OF THE APPLICATION OF MONTEZUMA RIMROCK WATER COMPANY, LLC FOR APPROVAL OF FINANCING FOR AN 8,000-GALLON HYDRO-PNEUMATIC TANK.

DOCKET NO. W-04254A-12-0206

IN THE MATTER OF THE RATE APPLICATION OF MONTEZUMA RIMROCK WATER COMPANY, LLC.

DOCKET NO. W-04254A-12-0207

PROCEDURAL ORDER

BY THE COMMISSION:

On May 31, 2012, Montezuma Rimrock Water Company, LLC ("Montezuma") filed with the Arizona Corporation Commission ("Commission") the following: In Docket No. W-04254A-12-0204, an application for approval of a loan agreement in which Montezuma promises to pay Rask Construction ("Rask") the sum of \$68,592 with interest for Rask's installation of a water line from the well on Tieman to Well No. 1 on Towers ("Rask Financing"); in Docket No. W-04254A-12-0205, an application for approval of a loan agreement in which Montezuma promises to pay Patricia Olsen the sum of \$21,377 with interest for the purchase of the Well No. 4 site and a company vehicle ("Olsen Site and Vehicle Financing"); in Docket No. W-04254A-12-0206, an application for approval of a loan agreement in which Montezuma promises to pay Sergei Arias the sum of \$15,000 with interest for the purchase of an 8,000-gallon hydro-pneumatic tank to provide additional water

1 storage to Montezuma's system ("Arias Tank Financing"); and in Docket No. W-04254A-12-0207,  
2 an application for a rate increase ("Rate Application").

3 On June 25, 2012, John E. Dougherty, III was granted intervention in each of the above-  
4 referenced dockets, without objection.

5 On July 2, 2012, in the docket for the Rate Application, Staff filed a Letter of Insufficiency  
6 ("LOI"). The address shown on the LOI is P.O. Box 10, Rimrock, Arizona 86335.

7 On July 24, 2012, the above-referenced dockets were consolidated by Procedural Order. The  
8 Procedural Order also ordered that an evidentiary hearing will be held in this matter, although a  
9 procedural schedule cannot be established until the applications are determined to be sufficient by the  
10 Commission's Utilities Division ("Staff").

11 On August 3, 2012, Montezuma filed a document stating that it had not received the LOI until  
12 Gerald Becker of Staff sent it to Montezuma via e-mail on July 27, 2012. Montezuma acknowledged  
13 that there are insufficiencies in its applications and requested a 30-day extension to respond to Staff's  
14 data request included with the LOI.

15 On August 8, 2012, Staff filed Staff's Response to Request for Extension, stating that Staff  
16 recommends extending the period for Montezuma to respond to the LOI by 30 days, from August 3,  
17 2012, to September 3, 2012. Staff also stated that the LOI had been sent to Montezuma by certified  
18 mail on July 3, 2012, and returned as unclaimed on July 25, 2012. Staff expressed concern about  
19 why the LOI was returned unclaimed when it had been mailed by certified mail to the listed main  
20 address for Montezuma.

21 The Commission's Hearing Division generally does not become involved with extension  
22 requests filed before an application is determined to be sufficient by Staff. In this matter, however,  
23 Staff may have been concerned that Montezuma's extension request would be considered a motion  
24 that would be deemed denied if not acted on by the Commission within 20 days pursuant to language  
25 in the Procedural Order issued on July 24, 2012.

26 Under A.A.C. R14-2-103(B), Staff may exercise discretion regarding the amount of time an  
27 applicant may be permitted to respond to a Letter of Insufficiency and Data Request. The Hearing  
28 Division does not desire to supplant Staff's role in that regard and need not take action on any such

1 future requests.

2 IT IS THEREFORE ORDERED that Staff may exercise discretion regarding the amount  
3 of time Montezuma may be permitted to respond to a Letter of Insufficiency and Data Request.

4 IT IS FURTHER ORDERED that Montezuma shall, by August 30, 2012, make a filing in  
5 this docket clarifying the mailing address that should be used for all documents sent to it.

6 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or  
7 waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at  
8 hearing.

9 DATED this 9<sup>th</sup> day of August, 2012.

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SARAH N. HARPRING  
ADMINISTRATIVE LAW JUDGE

14 Copies of the foregoing mailed/delivered  
15 this 9<sup>th</sup> day of August, 2012 to:

16 Patricia Olsen  
17 MONTEZUMA RIMROCK WATER CO., LLC  
18 P.O. Box 10  
19 Rimrock, AZ 86335

18 John E. Dougherty, III  
19 P.O. Box 501  
20 Rimrock, AZ 86335

21 Janice Alward, Chief Counsel, Legal Division  
22 ARIZONA CORPORATION COMMISSION  
23 1200 West Washington Street  
24 Phoenix, Arizona 85007-2927

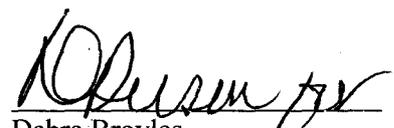
23 Steven Olea, Director, Utilities Division  
24 ARIZONA CORPORATION COMMISSION  
25 1200 West Washington Street  
26 Phoenix, Arizona 85007-2927

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By:   
Debra Broyles  
Secretary to Sarah N. Harpring