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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

2012 DEC -3 A 10:14

AZ CORP COMMISSION
DOCKET CONTROL

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
TIEMANN 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

Proof of Service

Montezuma Rimrock Water Company LLC hereby submits the attached Proof of Service to the included docketed submittal.

Patricia D. Olsen

Arizona Corporation Commission

DOCKETED

DEC 03 2012

DOCKETED BY *ISM*

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

DOCKET NO. W-04254A-12-0207

Amendment to Rate Case

Montezuma Rimrock Water Company LLC hereby submits the attached amendment to its Rate Case Application.

Patricia D. Olsen

Efforts made to encourage conservation of water through the proposed rate design or through other means

Please explain:

MRWC has a public service announcement which periodically airs on the local radio station and a conservation sign located at Kramer Dr. and Beaver Creek Road in Rimrock.

Other factors

Please explain:

Per Decision 71317, MRWC was required to submit a Rate Case Application to ACC by May 31, 2012.

Attach additional pages as necessary.

Other factors – JD Legal Surcharge

Please explain:

Addition of Legal Fees Surcharge to customers. MRWC is requesting a surcharge designated JD Legal Surcharge. MRWC seeks a legal fee surcharge for cost recovery pertaining to legal fees due to John Dougherty and his intervention since January, 2010. MRWC has incurred legal fees in order to protect itself from John Dougherty and his threat, "I make no bones about attacking their company. I want it to be shut down." John Dougherty has harassed, made false allegations, and filed charges against MRWC in order to prevent it from moving forward in the construction of its arsenic treatment system and the ability to provide an alternative source of water. John Dougherty has consistently abused regulatory agencies in efforts to destroy a Hispanic woman owned business. Total legal fees with respect to the intervention of John Dougherty amounts to \$47298.09 over a three year period. MRWC is seeking a surcharge of \$6.57 per month per customer for legal fees. Included on the following pages are the invoices and statements with respect to the legal fees incurred.

Other factors – Storage Tank Surcharge

Please explain:

MRWC is requesting a surcharge for storage tank replacement. The current storage tanks, installed in 2000, were not epoxy coated and were thus leaking by 2003. Although under warranty, these tanks were unable to be repaired by the contractor, whose business had gone defunct. By 2004, the storage tank at well site #2 could no longer retain any water. MRWC took over the water company in 2005, repaired the storage tank at well site #2 in 2005, and installed cathodic protection. The storage tank at well #1 was no longer able to retain any water in 2006. MRWC also repaired the well #1 storage tank and installed cathodic protection. At this time both tanks have been repeatedly repaired. Water loss due to tank failure at both well sites amounts to 3% each month. Both tanks are beyond repair. MRWC seeks a surcharge to replace the storage tanks of \$6.04 each month per customer to cover the cost of tank replacement at well site #1 and #2. Attached is the cost of tank replacement supplied by Cashion Tank.

AZ LISC NO. 075820

CLASS L-05

CASHION TANK & STEEL CO.
SPECIALIZING IN TANK CONSTRUCTION & ERECTION

(623)932-3380
(623)932-3381 FAX

P O BOX 306
CASHION, AZ 85329

November 21, 2012

Montezuma Rim Rock Water Company
P. O. Box 10
Montezuma, AZ 86835

ATTN: Patricia

Gentleman,

We propose to build two 30,000 gallon water storage tanks 13'6" X 28' high in our yard.

The tank will include the following:

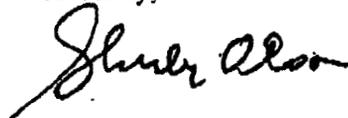
| | |
|------------------------------|-------------------------|
| 1/4" floor | 3/16" roof |
| 3/16" shell | Ladder inside & outside |
| Fittings to the first flange | 24" top manway |
| Gaugeboard | 1-26" shell manway |

The tank will be sandblasted and painted to AWWA Inside System #1 Epoxy and Outside System # 1 color of your choice.

Price on the tank will be \$29,000 for each tank. We require 50% to be paid as a down payment and the remainder to be paid on completion

Thank you for the opportunity to quote on this project.

Sincerely,



SHIRLEY OLSON
CASHION TANK & STEEL

ACCEPTED BY

Date _____

7012 1640 0000 0907 2575

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| Return Receipt Fee (Endorsement Required) | \$0.00 | |
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| Total Postage & Fees | \$ 3.40 | |

Sent To: Daniel Pozefsky, AUCO
 Street, Apt. No., or PO Box No.: 1110 W. Washington #220
 City, State, ZIP: Phoenix, AZ 86335

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RIMROCK AZ 86335

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|--|---------|--|
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| Certified Fee | \$2.95 | |
| Return Receipt Fee (Endorsement Required) | \$0.00 | |
| Restricted Delivery Fee (Endorsement Required) | \$0.00 | |
| Total Postage & Fees | \$ 3.40 | |

Sent To: John Dougherty
 Street, Apt. No., or PO Box No.: P.O. Box 10
 City, State, ZIP: Rimrock AZ 86335