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BEFORE THE ARIZONA CORPORATION C

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Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION
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COMMISSIONERS

BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

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 Since that time, the above-referenced dockets have been consolidated into a single matter;
4 John E. Dougherty, III, and the Residential Utility Consumer Office ("RUCO") have been granted
5 intervention in this matter, and the Commission's Utilities Division ("Staff") has issued a Letter of
6 Sufficiency classifying Montezuma as a Class D utility. Additionally, a hearing has been scheduled
7 to convene on February 7, 2013, and subsequently vacated except as to the taking of public comment,
8 which must proceed on February 7, 2013, in light of public notice provided by Montezuma that the
9 hearing would take place on that date. Also, a procedural conference, to discuss the establishment of
10 a procedural schedule in this matter, was scheduled for January 2, 2013, and then rescheduled to
11 February 7, 2013, to follow immediately the public comment proceeding to be held on that date.
12 Additional procedural history for this matter is recounted in prior Procedural Orders, the most recent
13 of which was issued on December 17, 2012.

14 On January 28, 2013, a Notice of Appearance was filed stating that Todd C. Wiley of
15 Fennemore Craig would be serving as legal counsel for Montezuma in this matter. The Notice also
16 stated that only Mr. Wiley would be attending the procedural conference on February 7, 2013,
17 because Ms. Olsen had been subpoenaed as a witness in a Yavapai County criminal trial against Ivo
18 Buddeke set to commence on February 6, 2013, and expected to continue for three to four days
19 ("Buddeke trial").

20 On January 30, 2013, Mr. Dougherty filed a Motion to Reschedule Feb. 7 Procedural
21 Conference, stating that he would be serving as a defense witness in the Buddeke trial and requesting
22 that the February 7, 2013, procedural conference be rescheduled. Additionally, Mr. Dougherty stated
23 that he would be traveling for business between March 10 and 19, 2013.

24 Although RUCO and Staff have not had an opportunity to file responses to Mr. Dougherty's
25 Motion, and although Montezuma's counsel is willing and able to attend the scheduled procedural
26 conference on February 7, 2013, it is reasonable and appropriate to reschedule the procedural
27 conference so that all parties will be present and so that Ms. Olsen will be able to accompany
28 Montezuma's counsel. Additionally, it is appropriate to reschedule the procedural conference to a

1 later date so that the subject matter of the procedural conference can be broadened to include
2 discussion of the other two pending dockets involving both Montezuma and Mr. Dougherty, namely
3 Docket Nos. W-04254A-08-0361 et al. and Docket No. W-04254A-11-0323.¹ The parties should be
4 prepared to discuss how those dockets should progress toward resolution and whether either or both
5 of those dockets should be consolidated with this matter or administratively closed. Procedural
6 Orders scheduling a joint procedural conference will be issued in those dockets as well.

7 IT IS THEREFORE ORDERED that the **procedural conference** scheduled to be held on
8 **February 7, 2013**, at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona
9 85007, is hereby **vacated**. The public comment proceeding scheduled for that date shall proceed as
10 previously scheduled.

11 IT IS FURTHER ORDERED that a **procedural conference** shall convene in this matter on
12 **February 25, 2013, at 10:00 a.m.** or as soon thereafter as is practicable, in Hearing Room No. 1 at
13 the Commission's offices at 1200 West Washington Street, Phoenix, Arizona 85007.

14 IT IS FURTHER ORDERED that the parties shall appear in person at the procedural
15 conference and shall be prepared at the procedural conference to make proposals regarding a new
16 procedural schedule for this matter and to discuss how the other two pending dockets involving both
17 Montezuma and Mr. Dougherty, namely Docket Nos. W-04254A-08-0361 et al. and Docket No. W-
18 04254A-11-0323, should progress toward resolution and whether either or both of those dockets
19 should be consolidated with this matter or administratively closed.

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

26 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
27

28 ¹ Mr. Wiley is serving as Montezuma's counsel in these matters as well.

1 31 and 38 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

2 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
3 Communications) applies to this proceeding and shall remain in effect until the Commission's
4 Decision in this matter is final and non-appealable.

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

8 DATED this 31st day of January, 2013.

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SARAH N. HARPRING
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing emailed/mailed/delivered
this 31st day of January, 2013, to:

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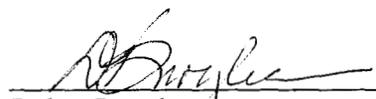
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By: 
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