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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

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

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

MAR 17 2014

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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

ORIGINAL

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

JOHN E. DOUGHERTY,

COMPLAINANT,

V.

MONTEZUMA RIMROCK WATER COMPANY, LLC,

RESPONDENT.

DOCKET NO. W-04254A-11-0323

IN THE MATTER OF THE APPLICATION OF MONTEZUMA RIMROCK WATER COMPANY, LLC, FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-04254A-08-0361

IN THE MATTER OF THE APPLICATION OF MONTEZUMA RIMROCK WATER COMPANY, LLC, FOR APPROVAL OF A FINANCING APPLICATION.

DOCKET NO. W-04254A-08-0362

STAFF'S RESPONSE TO JOHN DOUGHERTY'S LETTER DATED MARCH 16, 2014

On March 7, 2014, Montezuma Rimrock Water Company ("Company" or "Montezuma") filed a request for emergency rate relief. A Special Open Meeting to consider the Company's request

1 for emergency rate relief has been scheduled for March 19, 2014. At Staff's request, Montezuma has
2 provided notice of the Special Open Meeting to its customers.

3 On March 11, 2014, Intervenor John Dougherty filed a response to the Company's request,
4 opposing the Company's requested emergency relief. On March 16, 2014, Mr. Dougherty emailed a
5 letter indicating his unavailability to attend the Open Meeting scheduled for March 19 due to a
6 conflicting appointment. In his letter, Mr. Dougherty asked for the Open Meeting to be rescheduled.
7 Staff docketed the letter on March 17, 2014.

8 In response to Mr. Dougherty's letter, Staff notes that an emergency condition confronting the
9 Company has been alleged. The procedural requirements applicable to emergency proceedings differ
10 from those that would apply in more ordinary circumstances. Attorney General Opinion No. 71-17,
11 which addresses the Commission's authority in the event of emergencies, addresses the applicable
12 procedural requirements:

13 In a true emergency situation the necessity for giving a public service corporation
14 interim rate relief would... outweigh any person's right to be heard in rate
15 proceedings, for the following reasons:

16 First, to permit such intervention would have the effect of negating the benefit of
17 interim rate relief, the rationale for allowing interim rate relief being that the company
18 needs immediate, emergency relief to avoid serious damage. [internal reference
19 omitted] If intervention were permitted, in all likelihood the proceedings would be so
20 protracted that the needed relief could not be given.

21 Secondly, interim rate proceedings may be conducted ex parte because an interim rate
22 order provides that, in the event permanent rates are established which are lower than
23 the interim rates, the excessive amount collected under the interim rates must be
24 refunded to the consumers.

25 Attorney General Op. No. 71-17 at 6-8.

26 To summarize, emergency rate proceedings may be streamlined when necessary to protect the
27 public interest. According to the Company, it is in danger of losing its arsenic treatment facilities.
28 Staff recommends that the Commission promptly hear the Company's emergency request in order to
ensure that its customers' interests are protected. As customer notice has been provided, as well as
notice to Mr. Dougherty, the procedural requirements indicated by the Attorney General opinion have
been more than satisfied.

1 Staff suggests that Mr. Dougherty appear telephonically if he is unable to participate in
2 person. Additionally, Mr. Dougherty may file pleadings or other written information for the
3 Commission's consideration.

4 Emergency rate proceedings may be streamlined when necessary to protect the public interest.
5 Staff recommends that the Commission move forward with the Special Open Meeting because the
6 Company has alleged an emergency. It is within the Commission's discretion to hold the Open
7 Meeting as scheduled.

8
9 RESPECTFULLY SUBMITTED this 17th day of March 2014.

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11 
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13 Wesley C. Van Cleve
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19 Original and thirteen (13) copies
20 of the foregoing filed this
21 17th day of March 2014, with:

22 Docket Control
23 Arizona Corporation Commission
24 1200 West Washington Street
25 Phoenix, Arizona 85007

26 Copy of the foregoing mailed this
27 17th day of March 2014, to:

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