



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

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 AZ CORP COMMISSION  
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2014 OCT 28 PM 4:04

IN THE MATTER OF THE APPLICATION OF  
 TRUXTON CANYON WATER COMPANY, INC.  
 FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02168A-11-0363

IN THE MATTER OF THE APPLICATION OF  
 TRUXTON CANYON WATER COMPANY, INC.  
 FOR APPROVAL OF A REVISION OF THE  
 COMPANY'S EXISTING TERMS AND  
 CONDITIONS OF WATER SERVICE.

DOCKET NO. W-02168A-13-0309

IN THE MATTER OF THE APPLICATION OF  
 TRUXTON CANYON WATER COMPANY, INC.  
 FOR AUTHORITY TO INCUR LONG-TERM  
 DEBT.

DOCKET NO. W-02168A-13-0332

**STAFF'S REQUEST  
 FOR CLARIFICATION OF  
 RECOMMENDED OPINION AND  
 ORDER**

Arizona Corporation Commission Staff ("Staff") hereby requests clarification of the Recommended Opinion & Order ("ROO"), docketed herein on October 21, 2014, regarding the applications of Truxton Canyon Water Co. ("Truxton" or "Company").

In Finding of Fact No. 21, the ROO states:

Staff recommends that any *increase* in rates approved by the Commission not become effective until the Company files documentation from ADEQ demonstrating that it is in compliance for the monitoring of chlorine residuals and nitrates. (*emphasis added*)

The ROO recommends, at page 60, line 20, to page 61, line 1, that as a condition of new *decreased* rates taking effect the Company must first submit documentation of its compliance with the Arizona Department of Environmental Quality ("ADEQ"), stating:

IT IS FURTHER ORDERED that the above rates and charges shall become effective for all services provided the first month after Truxton Canyon Water Company has filed documentation, with Docket Control, as a compliance item in this matter, in a

Arizona Corporation Commission

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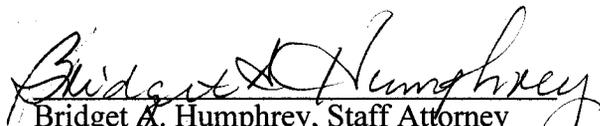
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1 manner acceptable to Commission Utilities Staff, showing that it is in compliance with  
2 Arizona Department of Environmental Quality requirements for the monitoring of  
chlorine residual and nitrates on its water system.

3 Generally, making the effective date of new rates contingent on some condition incentivizes  
4 the Company to meet the condition. In this case, the condition is presumably to act as an incentive for  
5 Truxton to come into compliance with ADEQ. However, because the recommended rates here  
6 constitute a reduction in rates, this condition actually *disincentivizes* Truxton to become ADEQ  
7 compliant. Moreover, in a case such as this, where extensive delays in the processing of the matter  
8 have been caused by Truxton's failure to meet required deadlines, there is even greater reason not to  
9 impose such a condition to the reduction in rates.

10 Staff believes the ordering paragraph beginning on line 24 of page 60 should be deleted.

11 RESPECTFULLY SUBMITTED this 28<sup>th</sup> day of October, 2014

12   
13 Bridget A. Humphrey, Staff Attorney  
14 Charles H. Hains, Staff Attorney  
15 Legal Division  
16 Arizona Corporation Commission  
17 1200 West Washington Street  
18 Phoenix, Arizona 85007  
19 (602) 542-3402

20 Original and thirteen (13) copies  
21 of the foregoing filed this  
22 28<sup>th</sup> day of October, 2014 with:

23 Docket Control  
24 Arizona Corporation Commission  
25 1200 West Washington Street  
26 Phoenix, AZ 85006

27 Copy of the foregoing mailed and/or emailed  
28 this 28<sup>th</sup> day of October, 2014 to:

Steve Wene  
MOYES SELLERS & HENDRICKS LTD.  
1850 North Central Avenue, Suite 1100  
Phoenix, AZ 85004  
Attorneys for Truxton Canyon Water Co., Inc.

1 Todd C. Wiley  
2 FENNEMORE CRAIG, P.C.  
3 2394 E. Camelback Rd., Suite 600  
4 Phoenix, AZ 85016  
5 Attorneys for Intervenor Valle Vista Property  
6 Owners Association, Inc.

7  
8 Michael Neal, Statutory Agent  
9 Truxton Canyon Water Company, Inc.  
10 7313 E. Concho Drive, Suite B  
11 Kingman, AZ 86401

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