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BRENDA BURNS PROPOSED AMENDMENT NO. 1

ORIGINAL

TIME/DATE PREPARED: Wednesday, November 12, 2014

COMPANY: Truxton Canyon Water Company

RECEIVED

AGENDA ITEM NO. 3

DOCKET NO(S). W-02168A-10-0247

2014 NOV 12 AM 11:13

OPEN MEETING DATE: November 13, 2014

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

On page 30, DELETE lines 15-18, and INSERT the following new findings of fact:

133. The OSC seeks monetary penalties against Truxton pursuant to A.R.S. § 40-425, which provides for fines in the range of \$100 to \$5,000 per violation. Considering the number of violations in this case and the extended time frame over which they have occurred, we find that a fine of \$5,000 per violation is appropriate.

134. In this matter, we have found thirteen violations of applicable statutes, Commission rules, and Commission orders. Under A.R.S. § 40-425, thirteen violations at \$5,000 each yields a total of \$65,000. We will therefore impose a fine of \$65,000 in this matter.

135. Our preference is for Truxton to simply comply with the applicable regulatory requirements. We will therefore suspend the fine at this time in order to give the Company a chance to comply with the applicable statutes, rules, and Commission orders. We will require the Company to file a report, by February 2, 2015, that details its timely compliance with the following specific requirements:

- a. Truxton shall be in full compliance with the Arizona Department of Environmental Quality by December 31, 2014.
- b. Truxton shall immediately refund all monies owed to Jim Bacus, using a certified check, within three business days of the effective date of this Decision.
- c. Truxton shall file, within three business days of this Decision, an affidavit demonstrating the Company's compliance with this decision relating to payment made to Jim Bacus.
- d. Truxton will abide by the commitment that it made in the proceedings leading to Decision No. 72386 to acquire from the Neal Family Trust all water system assets necessary to provide service, and will complete that acquisition by January 16, 2015.
- e. Truxton will record all long-term debt obtained from the Trust without prior Commission approval as additional paid-in capital within thirty days of the date of this decision.
- f. Truxton will file all currently unapproved main extension agreements for Commission approval within thirty days of the date of this decision.

Arizona Corporation Commission

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136. If Staff finds in its review of the Company's compliance report that the Company is complying with the requirements of Finding of Fact No. 135, Staff shall file a report evaluating whether the fine should be permanently waived, either completely or partially. On the other hand, if Staff finds that the Company is not complying with the requirements of Finding of Fact No. 135, Staff shall evaluate whether the suspension should be lifted and whether the fine should be immediately imposed. The Company shall have an opportunity to respond to Staff's recommendations, and the Commission shall consider the Company's comments when deciding the matter.

On page 31, line 8, INSERT the following new conclusions of law:

- 6. A.R.S. § 40-425 authorizes the Commission to impose monetary fines in the range of \$100 to \$5,000 per violation.
- 7. The approach outlined in Findings of Fact Nos. 133-136 is reasonable and should be adopted.

RENUMBER TO CONFORM, ADD PARALLEL ORDERING PARAGRAPHS, AND MAKE ALL OTHER CONFORMING CHANGES.

THIS AMENDMENT:		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____