



0000010731

ORIGINAL EXCEPTION

22 July 2004

7003 3110 0002 7044 2667

Docket Clerk
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007-2996

Re: W01004B-03-0722 - Ash Fork Water

Enclosed please find one (1) original and thirteen (13) conformed copies of an Intervenor originated document titled:

INTERVENOR
FINDINGS, CONCLUSIONS, EXCEPTIONS & OBJECTIONS
TO DRAFT DETERMINATION, OPINION AND ORDER DATED 16 JULY 2004
including
UPDATED POSITION STATEMENT
supplemental to
Docket No. W01004B-02-0768, Docket #W01004B-03-0510 & Docket No. W01004B-03-0722
(all inclusive in their entirety & included herein by reference)
and also including
THIRD FORMAL CALL FOR INDEPENDENT INQUIRY

AZ CORP COMMISSION
DOCUMENT CONTROL

2004 JUL 23 AM 11:28

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Please enter for the record.

Earl M. Hasbrouck
P. O. Box 1034
Ash Fork, AZ 86320-1034
928/637-0302

EMH:mtf

Encl: Orig + 13 - Intervenor Objections

Arizona Corporation Commission

DOCKETED

JUL 23 2004

DOCKETED BY



OPEN MEETING AGENDA ITEM

EXCEPTION ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

(Utilities Division)
1200 West Washington
Phoenix, Arizona 85007

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DOCKETED

In re: THE APPLICATION OF ASH FORK
DEVELOPMENT ASSOCIATION, INC.
d/b/a ASH FORK WATER SERVICE
FOR A RATE INCREASE.

JUL 23 2004

DOCKET NO.
W-01004B-03-0722

DOCKETED BY

AZCORP COMMISSION
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INTERVENOR
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THIRD FORMAL CALL FOR INDEPENDENT INQUIRY

COMES NOW THE INTERVENOR, EARL M. HASBROUCK, nearly two years into this very contentious, bifurcated dispute and somewhat rushed by a controversial regulatory authority deadline which capriciously provides less than three business days¹ for Intervenor review of, and response to the Arizona Corporation Commission's 16 July uncertified draft determination opinion and order s/Brian McNeil and respectfully shows the following exceptions/objections to said uncertified document:

A. Status/Scope

1). This is an ongoing contested case protested by the Intervenor as an attempt by Arizona government to intentionally and knowingly influence the outcome of a proceeding in favor of the applicant utility in order to achieve a predetermined end at the expense of an exploited consumer public.

B. Intervenor Qualifications.

1). Hasbrouck is an Ash Fork, (Yavapai County) Arizona utility consumer qualified by occupation, by background², by residence³, by law⁴, by corporate charter⁵ and by party status to intervene in matters concerning Ash Fork Water Service.

¹ Said uncertified draft determination opinion and order s/McNeil was purportedly signed and mailed on 16 July 2004 (metered postmark) but was not received at Ash Fork, Arizona until 21 July 2004, a five day delay in mail delivery which normally takes one day. Such unethical bureaucratic chicanery and related corrupt delaying tactics have been documented and protested in the past.

² A retired contractor, Intervenor's 45 year occupational background includes, but is not limited to, experience and training in utility construction, underground drilling and boring, sewer and water installation and pipeline construction.

³ Hasbrouck is the fee simple owner of Yavapai County tax parcel 302-14-028A sited at 46869 8th Street, Ash Fork, AZ 86320

⁴ Title 14, Arizona Administrative Code.

⁵ Any property owner residing in the town of Ash Fork, Arizona whose residence is served by an Ash Fork Water Service metering device is automatically qualified by the by-laws of Ash Fork Development Association, Inc., the parent, to be a member of the co-operative.

C. Intervenor Background Position Statement/Restatement.

- 1). Intervention by Hasbrouck originally occurred with the reasonable expectation that the Arizona Corporation Commission (“ACC,” “regulatory authority,” “agency” or “commission”), an independent administrative unit of Arizona state government with judicial powers, would properly, fairly and impartially adjudicate matters involving Ash Fork Development Association d/b/a Ash Fork Water Service (hereafter: “the utility”) coming before the agency.
- 2). This current rate hike docket is part three of a three-part bifurcated series for the *Ash Fork Well #2 Infrastructure Improvement Project* which commenced at some unknown time before 2002.
- 3). Earl M. Hasbrouck has been an intervening party to each of the three bifurcated actions.
- 4). The bifurcated parts of the Ash Fork Water project include but are not limited to:
 - a). Phase I - Retroactive request by the utility for after-the-fact permission to obtain financing⁶.
 - b). Phase II - Expansion of operating authority & request for additional financing⁷.
 - c). Phase III - Rate Increase and request for an additional rate surcharge⁸.
- 5). The initial basis for intervention included but was not limited to what was perceived by the Intervenor to be Ash Fork Development Association d/b/a Ash Fork Water’s ultra vires abuse of the utility’s corporate powers.
- 6). Intervention first occurred on or about during mid-October, 2002 after it had been learned that a financing permission request to the regulatory authority was retroactive in nature; that the people were neither informed about the project nor given opportunity to publicly speak and be heard or otherwise consent to procedure; that the initial legal advertisement published by the utility in the *Williams-Grand Canyon News* retroactively announcing Ash Fork Water’s intention to seek financing after-the-fact was designed to improperly notice transactions which had already been contracted, completed or otherwise engaged in without prior proper notice to or consent by the people; that the utility’s after-the-fact retroactive notice simply identified undertakings and transactions which had already been begun by Ash Fork Water without first obtaining informed permission or consent from the property owners or consumer public affected.
- 7). Intervention became necessary after obstructionism was encountered by the Intervenor early-on when the utility denied consumer/co-op members access to information and data necessary to learn what long term effect the Ash Fork Water infrastructure improvement project(s) might have on the title to a consumer co-op member’s real property.

⁶ ACC Docket No. W01004B-02-0768

⁷ ACC Docket No. W01004B-03-0510

⁸ ACC Docket No. W01004B-03-0722

8). Intervention in each docketed phase occurred with the reasonable expectation that the Arizona Corporation Commission would impartially adjudicate matters coming before the regulatory authority; instead, the Intervenor encountered a prejudiced, out-of-control bureaucracy determinedly intent on trampling the rights of consumers in order to achieve a predetermined end.

9). Suspicious of the entire Ash Fork Water infrastructure project from the onset of intervention, the Intervenor naively anticipated that lawful intervention would result in full and complete cooperation by the Arizona Corporation Commission to discover, investigate and prosecute suspected impropriety or wrongdoing; instead, the Intervenor found himself involved in a convoluted legal battle with a corrupt bureaucracy syndicalistically determined to protect one or more as yet unidentified government and/or private corporate entities for reasons which are not yet clear.

10). The Intervenor's naivete quickly dissipated when it was discovered that the regulatory authority itself was complicit in what is now believed to be a malicious, exploitive predetermined bureaucratic farce resulting from an unholy alliance between one or more yet unidentified unethical federal, state and/or local government agencies and private business calculated to achieve a covert, desired end result at the financial expense of an unwary, intentionally uninformed Ash Fork area consumer public.

11). Collusive obstructionist behavior by both Ash Fork Water and the regulatory authority has continued unimpeded throughout each of the three bifurcated Ash Fork Water actions and includes, as alleged previously:

a. Improper claim by the utility of autonomous local government authority to act on behalf of the people of Ash Fork.

b. Ultra vires acts by the utility exceeding the limitations of the corporate powers of the consumer cooperative including but not limited to:

i. improperly entering into third-party de facto agreement(s) under claim of municipal sovereignty to incur debt without first properly noticing the public of intent.

ii. improperly entering into third-party de facto agreement(s) without first seeking permission from the property owners of the community responsible for repayment of the debt.

iii. improperly entering into third-party de facto agreement(s) without first seeking permission from the municipal authority (Yavapai County) responsible for governing the affairs of the town.

iv. improperly entering into third-party de facto agreement(s) without first seeking permission from the regulatory authority (Arizona Corporation Commission) responsible for governing the affairs of the corporation on behalf of the consumer public.

v. improperly pledging corporate assets without prior permission as collateral for a

loan⁹.

- vi. refusal to produce documents and data for viewing and copying.
- vii. refusal to provide accurate answers to interrogatories.
- viii. refusal to provide an accurate, up-to-date financial history of the coop.
- ix. refusal to provide an accurate payroll history of the coop.
- x. refusal to obey court orders to enter documents into evidence.

12). Regulatory authority syndicalism, fraud and conspiracy were suspected early-on after the Arizona Corporation Commission Utilities Division deliberately refused or otherwise failed to disclose what documents comprised the official record of first phase Docket No. W01004B-02-0768 after request properly made upon instruction from the chief administrative law judge.

13). Suspected improprieties by the utility were severely multiplied by regulatory authority complicity involving the Commission's syndicalistic refusal to deal with questions concerning alleged impropriety and/or wrongdoing in a manner consistent with applicable consumer law.

a. Evidence obtained by the Intervenor early-on was largely circumstantial, however Intervenor raised, or attempted to raise, the following issues and questions during Phase I. in justifiable anticipation that the Arizona Corporation Commission would use the power of the office on behalf of Ash Fork area water consumers to conduct investigation and discovery into:

- i. the possibility of insider trading of government grant-in-aid information.
- ii. the possibility of kickbacks involving government grant-in-aid funding.
- iii. questionable timing involving land sale transactions.
- iv. lack of competitive bidding involving construction contracts.
- v. possibility of bid rigging and sweetheart deals.
- vi. unjust enrichment.
- vii. questionable engineering practices.
- viii. questionable management practices.

14). Intervenor demand for a first phase evidentiary hearing was blocked or otherwise circumvented by nearly nine months of continual regulatory authority chicanery, the first phase retroactive financing proceeding¹⁰ finally ending without benefit of a public hearing after the Arizona Corporation Commission did everything possible in a flagrant abuse of bureaucratic power to deny the Ash Fork area consumer public the due process right to speak and be heard.

15). Demand for an independent investigation was made by the Intervenor after it was learned that the regulatory authority had concealed documents in its possession and altered the public record.

⁹ ARS §40-285

¹⁰ ACC Docket No. W01004B-02-0768

16). The first Intervenor demand for a third-party independent inquiry submitted for the record during January of 2003 was blatantly ignored by the regulatory authority, the Arizona Corporation Commission corruptly misdirecting the Intervenor pleading, then attempting to conceal the corruption by hiding under an improper cloak of estoppel.

17). The second phase Ash Fork Water proceeding¹¹, also uninvestigated by third-party law enforcement even after being justifiably dubbed by the Intervenor, "*An Anomaly In Progress*," dealt more with the regulatory authority's corrupt desire to cover up the Commission's own illicit first phase behavior with improper claims of estoppel than it did with the utility's more-than-obvious inappropriate effort to attempt to coerce Ash Fork area residential rate payers to fund infrastructure improvements clearly beneficial mainly to commercial interests, real estate speculators and developers.

18). Estoppel having been raised by the Commission as an issue early-on during the adjudication of Phase II., Intervenor maintained (and still undisputedly maintains) that in light of the fact that the regulatory authority wrongfully engaged in or otherwise willingly participated in fraudulent actions detrimental to the Ash Fork area consumer public while prejudicially advocating in biased support of the utility, such complicit conduct on the part of the bureaucracy renders any right to claim estoppel moot; that such a self-serving, skewed, syndicalistically corrupt claim by the Arizona Corporation Commission cannot attach or otherwise be enforced.

19). The second Intervenor formal call for independent inquiry, made on 30 Dec 2003, was also ignored by the Arizona Corporation Commission and was subsequently compounded by denial of appeal relief.

20). During the bifurcation period separating the second and third phases of the Ash Fork Water action, the Intervenor was oppressively challenged with syndicalistic attempted threats and intimidation by the bureaucracy intended to obstruct or otherwise sabotage third-party investigation and discovery into ongoing corruption, the Commission's legal department deceitfully claiming, amongst other things, that the Intervenor could not continue into the third phase without being represented by an attorney.

21). The lawful right to intervene in this third and final phase of the bifurcated Ash Fork Water matters was further impeded or otherwise intentionally obstructed by corrupt, on-going Arizona Corporation Commission chicanery which included a persistent pattern of vexatious bureaucratic syndicalism involving the issuance of an overreaching, improper, unreasonable procedural order¹² by a manipulating judiciary deliberately intended to interfere with or otherwise delay lawful third-party entry into this third-phase docket.

22). As a consequence of said vexatious bureaucratic chicanery, Earl M. Hasbrouck was forced to enter this current, third-phase action as a Complainant in wait of official intervention status, which delay

¹¹ ACC Docket No. W-01004B-03-0510

¹² ACC Procedural Order dated 20 Feb 2004 s/Marc E. Stern

subsequently led to overriding judicial intervention by the chief administrative law judge to end Commission deviousness.

23). The Commission's corrupt chicanery ultimately extended into collusion with the applicant utility, Ash Fork Water, the consumer cooperative deliberately refusing to receipt for and timely acknowledge the applicant intervenor's compliance with the Commission's preconditions until too late for the Intervenor to engage in due process discovery.

24). At least a partial basis behind the above stated attempt to impede Intervenor entry into the third phase action is believed to be a desire by both the utility and the regulatory authority to interfere with the Intervenor's investigation into the possibility of criminal activity by a former statutory agent employed by Ash Fork Water who, according to direct testimony by the Ash Fork Water facilities manager, Lewis Hume, was active in negotiating and implementing the United States government grant and loan which led to this dispute.

25). As a matter of due process right, Hasbrouck's third phase entry pleading dated 01 Mar 2004 included by reference the entire dockcase record of Phase I¹³ and Phase II¹⁴ of the bifurcated Ash Fork Water actions, the records of which contain incontrovertible proof of impropriety as alleged by the Intervenor as well as other material, consequential & crucial direct links to this current Phase III¹⁵ rate increase matter.

26). Arizona Corporation Commission integrity sank to it's lowest level ever when, after the Intervenor had dubbed the three-part proceeding "*A Predetermined Farce*," the regulatory authority attempted to suppress or otherwise limit consumer due process protest during a 23 Apr 2004 scheduled hearing by involving members of the Phoenix Police Department in a physical show of force obviously intended to silence protest via psychological threat and intimidation.

D. Analysis and Review.

1). One of the most revealing proofs of ACC behind-the-schemes chicanery operating in clandestine support of what Intervenor has dubbed *The Ash Fork Water Predetermined Farce* is the continual, ongoing effort by commission staff to interject misleading innuendo or otherwise deceptively false commentary into commission pleadings as confirmed fact, i.e.:

- a). Fact 10, pg. 5 of the 16 July draft opinion and order is deceptively misleading in that Ash Fork Water has been involved in more than one less than sincere back-door end-run attempts to obtain an additional \$267,000.00 since almost the very beginning of this three-part bifurcated series and the commission has been surreptitiously trying to assist the utility find ways to slip that

¹³ ACC Docket No. W01004B-02-0768 (Financing)

¹⁴ ACC Docket No. W01004B-03-0510 (Expansion of territory)

¹⁵ ACC Docket No. W01004B-03-0722 (Rate increase)

funding into these actions for nearly two years now. (See Phase I, Phase II and Phase III pleadings). The most recent attempt at back door funding was made during the 23 Apr hearing when Alexander Igwe's testimony was impeached by the Intervenor, then said impeachment was followed by a long, drawn-out interruption of the proceedings by an unidentified commissioner who attempted to band-aid a situation which was not part of the utility's original rate increase request to start with. Bottom line: The consumer public is not responsible for the utility's oversight or reckless spending on a project that was neither needed nor necessary to start with. The utility knew in 2002 that the arsenic level of Ash Fork Well #2 far exceeded the minimum standards allowed by EPA & ADEQ rules and has tried again and again, with the aid and assistance of the Arizona Corporation Commission, to conceal that source knowledge ever since. Ash Fork Water has errors and omissions insurance to cover such contingencies and the regulatory authority should not even remotely consider passing on the cost of bad management or engineering practices to the consumer public.

b). Fact 13, pg. 5, acknowledges Intervenor's concerns regarding being denied access to accurate financial records for the utility but does nothing whatsoever to alleviate those concerns. The truth is obvious. In open and notorious disregard of the laws governing non-profit corporations, the Arizona Corporation Commission has relied on unverifiable handwritten financial statements to allow a utility under it's supervision to assume a debt in excess of \$1M while the company has been allowed to keep it's financial records concealed from inspection by both the regulatory authority and the consumer public. Not only have the financial records of Ash Fork Water been kept hidden with regulatory authority aid and assistance, the utility has been prejudicially permitted to openly defy a court order to submit it's completed loan and grant agreement into the record of the case.

c). Fact 14, pg. 6 is true as to the Intervenor's intent, however those facts which follow (Fact 15 - Fact 30 et. seq.) are misleading in that they rely on misrepresentations and misstatements regarding staff participation. First of all, Alexander Igwe did not discover the 61% disparity in revenue between standpipe customers and metered customers - Judge Stern did. Second, the compiler took a great deal of liberty with the truth in stretching the intent and approval of a staff report which was challenged as to it's accuracy in the past. Third, a great deal of the dialogue regarding past decisions never occurred, the decisions mentioned being obviously made after the close of the 23 Apr hearing because much of what is discussed in the opinion occurred during that hearing.

2). At the onset of this dispute in 2002, a simple unanswered consumer inquiry led to a convoluted cover-up which continues into this third phase.

3). In the beginning, the Intervenor, Earl M. Hasbrouck, simply wanted to find out what effect Ash Fork

Water's requested loan of \$433,000.00, if approved, would have on the title to his real property. Would a homeowner's association debt be considered a lien on all the property affected as would similar obligations entered into on behalf of a special improvement district? Could foreclosure laws be implemented against an individual's private property in the event of bankruptcy by a homeowner's association cooperative utility? Was the utility being managed in a businesslike, responsible manner? Answers were not forthcoming.

4). Not only were answers not forthcoming, but as soon as the regulatory authority learned that Ash Fork Water had deliberately refused to cooperate to provide the consumer with information and data about the utility's intentions, instead of cracking down on the utility's arrogant reporting non-compliance, the Arizona Corporation Commission instead aided Ash Fork Development Association d/b/a Ash Fork Water in keeping secret many, many documents and things the consumer/ Intervenor had asked to have disclosed, primarily project drawings and technical specifications and a ten-year financial history of Ash Fork Development Association d/b/a Ash Fork Water. And, to complicate the situation, not only did Ash Fork Water staff and management deliberately refuse to satisfy the consumer/Intervenor's inquiries as required by law, after Intervention did occur, a vexatious agenda of secrecy and concealment on the part of the utility immediately commenced with the aid and assistance of a very corrupt Arizona Corporation Commission and unknown others which remains firmly locked in place as of the time this is written.

5). The aforementioned collusive behavior by and between the utility and the regulatory authority has led to the conclusion that the bifurcated Ash Fork Water proceedings have devolved into a bureaucratic horror story coordinated by a state agency out of control and arrogantly confident (despite the Jim Irvin scandal) that it is not responsible for the outrageous improprieties it commits while helping keep Ash Fork Water's business history hidden. Not only is this wholly improper protective aid and assistance by the regulatory authority frustratingly exasperating to utility consumers seeking knowledge and data which should be of a public nature, in the eyes of the Intervenor such conduct is unlawful. Accordingly, Intervenor is informed and believes:

a). that what should have been from the beginning first phase (Docket No.W01004B-02-0768), a quo warranto administrative procedure in which the independent regulatory authority with administrative review powers over utility providers operating in unincorporated Arizona towns had a clear duty to simply use the judicial power of the office to void an agreement made ultra vires by an overreaching corporate utility cooperative under it's direct supervision, has since turned into a gargantuan cover-up in which the regulatory authority played a major role by failing it's mandate to protect the people of Arizona.

b. that no clear and convincing evidence has ever been produced by the utility to support Ash

Fork Water's contention that it costs anywhere near \$500.00 per foot to drill and case a medium-depth water well.

- c). that the true circumstances of Ash Fork Water's involvement in the clandestine deal to literally hand over half-a-million dollars of federal grant-in-aid funds to a private contractor without first seeking permission to act remain intentionally unexplained.
- d). that the utility's financial integrity has never been conclusively determined.
 - i. Throughout the three bifurcated Ash Fork Water actions, despite repeated requests for a demonstration of verifiable past and present financial responsibility, there has never been a professional audit of the utility submitted into evidence, the Arizona Corporation Commission deliberately refusing its mandate to compel the utility to reveal a history of crime-free past transactions showing Ash Fork Water's ability to amortize debt without imposing financial hardship on the consumer public.
- e). that suspected wrongdoing or impropriety have never been investigated.
 - i. Since the time Intervenor Hasbrouck first entered the Ash Fork Water proceedings after he was denied the due process right to view and copy the utility's *Retroactive Application For Financing* (or alternatively, *Application For Retroactive Financing*, whichever the case may be), a *great deal of uncertainty* has emerged concerning the possibility of third-party political pandering, insider trading, criminal conspiracy, consumer fraud and collusion.
- f). that the true origin of suspected political pandering, insider trading, conspiracy, consumer fraud or collusion has never been investigated.
 - i. There is clearly an unidentified compelling state interest behind the Ash Fork Water fiasco, but so far the Commission has successfully managed to keep **who** might be involved and **what** might be behind the secrecy concealed.
 - ii. Intervenor's formal first call¹⁶ for an independent inquiry occurred on 07 January 2003.
 - iii. Intervenor's formal second call¹⁷ for an independent inquiry occurred on 30 Dec 2003.
 - iv. Intervenor's formal third call for a independent third-party inquiry is contained in this document.

¹⁶ See in Docket No. W01004B-02-0768- Intervenor *Amendment to Motion Dated 18 December 2002 dtd 07 Jan 2003* (including cover letter) & Intervenor *Motion To Compel Production of Documents dtd 10 Jan 2003*.

¹⁷ See W01004B-03-0510 - Intervenor *Appeal, Call For Independent Inquiry On Appeal & Motion* filed for the record on 30 Dec 2003.

g). that the who, what, where, when, why and to whom of the predetermination factor¹⁸ remains unexplained.

- i. Throughout the three bifurcated ACC dockets, Intervenor Hasbrouck has consistently encountered reckless, unethical behavior on the part of Commission staff intent of helping the utility get away with circumventing the laws governing regulated utilities.
- ii. Shortly after Hasbrouck attained intervention status in Phase I. Financing, (Docket No. W01004B-02-0768) two years ago, Arizona Corporation Commission staff were immediately captured in the act of executing a number of questionable foul deeds and dastardly acts intended to benefit the utility while trying to hide the fact that the newly designated intervenor had formally requested third-party law enforcement investigation into their suspected nefarious activities.
- iii. Caught red-handed in lies and conspiracy during both Phase I. and Phase II., Commission integrity went downhill quickly in this current Phase III. with the discovery of a bureaucratic cover-up growing and expanding like the many-headed hydra of ancient mythology.
- iv. Considering that the Ash Fork Water debacle bridged two different state administrations representing two disparate political parties, it was determined that the independent regulatory agency was probably protecting someone high up in administrative government, but because independent investigation by the state attorney general has been manipulatively declined or otherwise denied, who that protection recipient might be is still unknown.

h). that during the second phase¹⁹ proceeding which should have been limited solely to issues involving expansion of territory, Ash Fork Water improperly tried to increase it's financing potential to over an estimated \$1 Million via another questionable end-run request for an additional \$267,000 financing hike, but after it was pointed out that the biggest majority of the expansion project was intended to benefit commercial real estate speculators and developers at residential consumer expense, the regulatory authority once again joined forces with Ash Fork Water by syndicalistically refusing to initiate third-party law enforcement investigative intervention as well as corruptly refusing to voluntarily provide appeal relief to deal with the

¹⁸ Intervenor first determined and dubbed the action, amongst other things, the Ash Fork Water Debacle, a predetermined farce, an anomaly in progress

¹⁹ ACC Docket No. W01004B-03-0510 (Ash Fork Water Expansion Of Service Area

commission's own grievous, prejudicial bias.

i). that even in a democracy, government maintains control by the threat of violence and imprisonment. When government acts as it has in the Ash Fork Water debacle and allies itself with private business backed by police protection, democracy takes a back seat to tyranny. Nowhere was this more apparent than in this current rate increase docket when the Phoenix Police Department got directly involved in the Commission's corrupt, syndicalistic activities with a show of force at the hearing scheduled for the Ash Fork Water rate increase matter at 9:30 a.m. on April 23, 2004, two uniformed officers present inside the hearing room and one plainclothes individual in a grey, unmarked car observed clandestinely surveilling participants outside Commission headquarters.

6). Other documented bureaucratic corruption occurred early-on during third phase Docket No. W-01004B-03-0722 when the Commission's legal department opened the Phase III. rate hike matter by attacking Hasbrouck with written threats and intimidation suggesting, amongst other things, that an intervening party could not continue to appear before the regulatory authority without being represented by a lawyer. Following that, the Commission's internal corruption sank to it's lowest level ever when the judicial branch of the regulatory authority openly joined the fray by engaging in delaying tactics in suspected open collusion with Ash Fork Water Service, setting judicial limitations on Phase III. intervention that could not possibly be complied with until (with the utility's collusive connivance) it would be too late for the Intervenor to conduct any form of discovery.

E. Questions Which Remain Unanswered.

Circumstances hereinabove considered, in Intervenor's view it is indisputably clear:

- 1). That the Arizona Corporation Commission has persistently, deliberately refused to utilize the agency's general legal authority to investigate suspected crimes or other impropriety involved in the Ash Fork Water transaction(s), the regulatory authority going so far as to aid and abet the utility in it's circumvention of the law. What is **not** clear - especially considering the regulatory authority's own recent internal scandal - is **why** the Commission has chosen to advocate on behalf of the utility or **why** third party law enforcement has not been called in to investigate?
- 2). From the very beginning of Phase I. (Docket #W01004B-02-0768) and continuing through Phase II. (Docket #W01004B-03-0510) and Phase III. (Docket #W01004B-03-0722), the three bifurcated Ash Fork Water matters in their entirety have undeniably been a predetermined farce, the nature of which has been identified on numerous and sundry occasions and just as often ignored. What is **not** clear is what the Commission has to gain from such unprofessional misconduct?
- 3). Despite claims to the contrary, the Ash Fork Water improvement loan of \$433,000.00 intended to be paid for by this third phase 03-0722 rate increase request was in the design and planning stages well before the time the utility admits it was; well before the first phase 02-0768 request to seek financing was

retroactively filed. What is not clear is **why** there was not sufficient funding set aside to finance the project from the time of it's inception; **why** the consumer public was led to believe everything was being paid for by a government grant; **why** the consumer public is now expected to pick up the tab for past reckless spending **after the fact?**

4). If ordinary business practices had been followed by everyone involved, i.e. **proper notice of the utility's intent in accordance with law; open public hearing by municipal government in the area affected to allow the people to speak and be heard pro or con; grant and loan application through appropriate government agency authorized to act on behalf of the people affected; solicitation of competitive bids for construction projects; award of contract(s) on basis of lowest responsive responsible bidder; responsible management of grant and loan proceeds;** then little of the litigation which followed would have been necessary. What is not clear is **why** Yavapai County, the unit of municipal government responsible for governing the town of Ash Fork, didn't govern; **why** the regulatory authority didn't insist that the Yavapai County Board of Supervisors act responsibly to protect the Ash Fork area consumer public?

5). Ash Fork Well #2 was clearly a luxury. At no time ever was it **needed** or **necessary**. What is not clear is **why** the Arizona Corporation Commission continues to maintain the position that Ash Fork Well #1 was in need of being replaced when it is a well-known fact that once a decent submersible pumping unit of sufficient size and quality was installed in the original community water resource, well number one has kept up with production without trouble?

6). The assertion by the Arizona Corporation Commission Utilities Division²⁰ claiming Ash Fork Well #1 is not capable of keeping up with production was and is an obvious deliberate distortion of the truth, apparently made in an attempt to help the utility cover up impropriety. What is not clear is precisely **who** the cover-up involves or from **what** level it is being controlled?

7). From the very beginning, the outcome of the three bifurcated Ash Fork Water cases was unquestionably predetermined. What is not clear is **who** is actually behind the scenes pulling the strings to make government dance to the tune of such obvious outrageous bureaucratic syndicalism.

8). One significant purpose of a good portion of the Ash Fork Water improvement project was apparently intended to exploit residential water consumers to pay for main upgrades, distribution system enlargements and main extensions into commercial areas for the benefit of special interests. What is not clear is **how** the utility was allowed to implement such a self-serving scheme without master plan review by local government at open public hearing **in the area affected?**

9). Plans, drawings and technical specifications for the Ash Fork Water Improvement Project were

²⁰ ACC STAFF REPORT (*Engineering Report at Pg. 6*) FOR ASH FOR DEVELOPMENT ASSOCIATION, INC. DBA ASH FORK WATER SERVICE'S APPLICATION FOR A PERMANENT RATE INCREASE (DOCKET No.W01004B-03-0722) dated 29 Mar 2004 and filed for the record on that same date.

claimed to have been reviewed by various government agencies prior to the time the utility submitted its first, retroactive, Phase I. financing application yet the ACC Utilities Division has persistently denied their existence. What is less than clear, especially considering the regulatory authority's foot-dragging syndicalism, is **whether** the documents finally provided the Intervenor after the fact under force of court order were a timely, accurate, true and correct depiction of the entire project or **whether** the improvement project involves far more than Ash Fork Water or the regulatory authority want to reveal?

10). Ash Fork Water was clearly a conduit through which half-a-million dollars in government grant-in-aid was funneled from the federal government to the private sector. What is not clear is precisely **who** engineered the undertaking or **whether** the transfer constituted the possible fraudulent misuse²¹ of federal public funds?

11). Ash Fork Water somehow got possession of federal government grant and loan proceeds without permission, without consent, without notice, then flagrantly spent half-a-million dollars of the money on a project it purposely neglected to solicit competitive bids for long before notifying anyone in authority about the transaction. What is not clear is **how** the utility did what it did without detection by the two government agencies responsible for overseeing Ash Fork Water's affairs.

12). In acquiring the loan and grant proceeds without consent, Ash Fork Water acted in obvious reckless indifference to state law. What is not clear is, **at what point** during the undertaking did the Arizona Corporation Commission become aware of the utility's schemes? At what point did Yavapai County, the municipal authority responsible for governing the town of Ash Fork, become aware of what was going on?

13). Starting mid-July, 2002 - the date and time when the first after-the-fact "**retroactive**" financing application was submitted to the regulatory authority by Ash Fork Water long after the grant money had already been spent until well over nine months later during the adjudication of first phase Docket No. W01004B-02-0768 - the Arizona Corporation Commission did everything in its power **not** to conduct an open evidentiary hearing which would publicly explain the utility's misdeeds. What is not clear is precisely **what** the regulatory authority was trying to hide or **who** the Commission is now trying to protect?

14). Throughout this three-part, bifurcated Arizona Corporation Commission proceeding, Ash Fork Water has attempted to conceal any record of its alleged clandestine activities, especially any record of the completed loan and grant agreement with the U. S. Department of Agriculture Rural Utilities Service (U.S.D.A., RUS) which the utility has never entered into evidence despite being ordered to do so by the presiding Arizona Corporation Commission jurist, Administrative Law Judge Marc E. Stern. What is not clear is **why** the regulatory authority aided, and continues to aid, that concealment?

²¹ Copeland Anti-kickback Act

15). Ash Fork Water has evasively kept bookkeeping and business records concealed despite repeated demands to make them available to the public for review, inspection and copying as required by law²². What is not clear is **why** the Arizona Corporation Commission refuses to compel the utility to make all such records available for audit, inspection and copying, especially considering that the law requires such records of non-profit corporations to be open for public inspection?

16). The staff Certified Public Accountant for the Arizona Corporation Commission, Alexander Igwe, has admitted under oath at hearing that he has never seen a verified, CPA prepared financial statement for Ash Fork Water, nor has he ever seen the utility's year-end tax statements, nor has he ever reviewed Ash Fork Water's year-end bookkeeping reconciliations. What is **not** clear, knowing the contentious lack of verifiable bookkeeping and financial background information, is **how** a person of Mr. Igwe's education, experience and training can responsibly claim that the Commission has conducted a professional audit review of the utility's financial condition on the consumer public's behalf?

17). Throughout this entire proceeding from day one, despite the fact that Ash Fork is located 150+ miles from Phoenix, neither the Arizona Corporation Commission nor Yavapai County has ever made any attempt to schedule a public hearing **in the area affected** intended to inform the people of Ash Fork about the exploitative issues involved in this dispute. What is not clear is "**why?**"

18). After attorney Lamont Hansen became involved in the utility's daily affairs as the Ash Fork Water's statutory agent, the number of working staff and management of Ash Fork Water unexplainably increased considerably from one part-time jack-of-all-trades employee/manager and one office girl to apparently include a chief executive officer, a facilities manager, two laborers & a secretary as well as the aforementioned new statutory agent. What is not clear, especially considering near-zero population growth in the town of Ash Fork at that particular time, is **who authorized the staff enlargement, for what purpose was the staff enlargement done and how were the new CEO and the extra employees compensated?**

19). The amount of salary each Ash Fork Water employee listed in the previous paragraph receives has been a closely guarded secret, the utility refusing to reveal a CPA prepared ten year salary history comparison. What is not clear is **why**, after that lack of cooperation has been repeatedly brought to the Commission's attention accompanied by requests for disclosure, the Commission refuses to **compel** or otherwise mandate compulsory disclosure?

20). Much of the Ash Fork Water improvement project was obviously designed with the specific intent of benefitting special interest friends of the utility, developers and real estate speculators at consumer expense. What is not clear is **why** the Arizona Corporation Commission refuses to investigate that fact; **why** the commission refuses to cause third-party law enforcement to investigate; or **why** the Arizona

²² Arizona Administrative Code §R14-2-211

Corporation Commission refuses provide a means and method whereby those clear-cut special interest expenditures can later be recaptured by the members of the consumer cooperative on a fair share, user-pay, pro-rata basis?

21). Something called **Hillside Addition**, an unplatted subdivision purportedly involved in this controversy, seems to be the intended beneficiary of a portion of the utility's efforts the consumer public is expected to pay for, along with improvements benefitting commercial interests in the downtown business section. In one instance, a commercial rock yard was the prior beneficiary of a free water line installation just before a new six inch supply main was installed along the property. Such infrastructure improvements not for the account of residential water users plus the cost of installation **must** be allowed to be recaptured. What is **not** clear is **why** the regulatory authority keeps skipping over this contentious issue; **why** the rights of residential consumers are being allowed to be trampled to benefit commercial interests?

22). Throughout this entire proceeding, the conduct of the Arizona Corporation Commission has been a great deal less than exemplary. What is not clear is precisely **who** the regulatory authority might possibly be protecting or **what** the obvious syndicalism may be attempting to conceal?

23). The Wednesday, March 24, 2004 edition of *The Williams-Grand Canyon News* announced the criminal conviction of Lamont Hansen, a northern Arizona attorney who was the statutory legal agent for Ash Fork Development Association, Inc. d/b/a Ash Fork Water during a good portion of this controversy. What is not clear is **what part**, if any, "*the suspect (Hansen) who made a considerable effort to conceal his long-term criminal activity*"²³ may have played in the suspicious intrigue uncovered so far in the Ash Fork Water debacle, especially considering that it is now known²⁴ that Mr. Hansen was the person responsible for negotiating and executing the contracts that led up to this controversy?

24). The Arizona Corporation Commission is charged²⁵ with enforcing the various laws affecting state public service corporations, yet from the beginning of this three-part, bifurcated dispute the regulatory authority has done everything in it's bureaucratic power **not** to investigate violations, infractions or improprieties brought to it's attention. What is not clear is **why**?

25). In pandering to commercial special interests, Ash Fork Water obviously intends for the improvements leading up to this rate increase request to be paid for out of the wallet of each and every consumer/customer of the utility – especially residential and water hauling consumers in the median use category. What is not clear is **why** those residential customers of the utility who can least afford to be

²³ Williams/Grand Canyon News 24 Mar 2004

²⁴ Testimony by Lewis Hume at hearing 23 Apr 2004

²⁵ ARS §40-421

penalized in such a manner should be discriminated against by being forced to pay for infrastructure improvements intended to benefit commercial special interest entities, developers and speculators?

F. Findings and Conclusions.

1). Based on the recent discoveries outlined herein, Intervenor is informed and believes and further alleges:

- a). that fundamental fairness and impartiality are detrimentally lacking in this action before the Arizona Corporation Commission where the Constitution of the United States, the Bill of Rights and Arizona's constitution & laws are persistently being disregarded in a bureaucratic effort to exploit the consumer public to achieve a predetermined goal.
- b). that the regulatory authority itself is believed to be covering up an elaborate government scam in which a very corrupt bureaucracy is the scammer, Ash Fork Water is the means, an exploitative utility rate for phantom services is the tool and the intended victims are Ash Fork Water consumers.
- c). that due process and the rule of law in these three bifurcated administrative actions appear to be luxuries to be administratively denied the pedestrian Arizona consumer at the whim of a very corrupt bureaucracy intent on concealing misconduct by persons or parties unknown;
- d). that government appears to view it's syndicalistic misconduct as a noble endeavor which includes a willingness by Arizona Corporation Commission staff to circumvent the law in order to achieve a corrupt desired end result.
- e). that the preponderance of evidence in the three bifurcated Ash Fork Water actions is an inconvenience to be judicially blocked by ludicrous, corrupt government chicanery intended to deny due process.
- f). that under ordinary circumstances, bifurcation of actions (financing, expansion of operating authority and rate increase) in actions before the Arizona Corporation Commission would be standard procedure, one segment being decided before proceeding on to the next. However, because Ash Fork Water intentionally and knowingly circumvented regulatory authority procedural protocol by delaying application to the people for approval to act while falsely claiming a municipal authority it did not possess; and, because the Arizona Corporation Commission subsequently failed or otherwise deliberately refused to follow existing law which requires that the regulatory authority vitiate de facto agreements made under color of false claim of authority, everything that followed during the three bifurcated Ash Fork Water proceedings is and remains, in Intervenor's interpretation, of a very questionable, if not fraudulent, legal basis.
- g). that so-called "free" money available from the United States government is rarely free. It nearly always has a cost. In this specific instance, the cost to the Ash Fork Water consumer to obtain the disputed \$500K U.S.D.A., RUS grant-in-aid is pegged at somewhere in the

neighborhood of \$1.2 Million Dollars that Ash Fork area water consumers will be obligated to repay over the next 40 years without ever having had a say in the matter.

h). that from the very beginning of the bifurcated Ash Fork Water matters, the Intervenor has made it abundantly clear that he disapproved of what was going on internally within the Arizona Corporation Commission; that the suspected circumvention of law(s) involved in the Ash Fork Water matter(s) required investigation by third-party law enforcement into the possibility of fraud, conspiracy, insider trading, bid rigging, unjust enrichment, bureaucratic misconduct, etc.; and, that the Intervenor does not have the experience or capability to effectively probe suspected criminal or otherwise improper activity, nor is it his place to do so.

i). that because fundamental fairness and impartiality is lacking in the adjudication of the Ash Fork Water matters, the Intervenor is resolutely steadfast in the belief that the regulatory authority remains in open and notorious obstructionist collusion with a utility and others apparently intent on exploiting the consumer public.

j). that government misconduct is rampant, especially the suspicious concealment of documents and the deliberate refusal to compel the production of a CPA prepared financial statement for the utility. Each and every Intervenor request made in that regard has been inappropriately forestalled by ACC staff or otherwise diverted by regulatory authority chicanery under claim that "an audit is too expensive" or some such other collusive, evasive concealment tactic. As a result, the Ash Fork area consumer public has no practical understanding of the true financial condition of the utility or of its ability to service debt.

k). that the integrity of the Arizona Corporation Commission judicial system is corrupt, estoppel being utilized to conceal apparent improper or illegal activity.

l). that the integrity of the commission as a whole is corrupt, suspected criminal activity by an individual directly involved with the management of Ash Fork Development Association, Inc. d/b/a Ash Fork Water during the time of this controversy being allowed to be concealed from the consumer public which, depending on the scope and scale of the individual's involvement in the utility's internal affairs, could affect the outcome of this case as well as influence the substantial rights of each and every Ash Fork Water consumer.

i). Lamont Hansen, a Williams, Arizona attorney who (according to direct testimony by Ash Fork Water facilities manager, Lewis Hume) was the statutory agent for Ash Fork Water from 1993-2002, was recently convicted of felony theft in Mohave (Arizona) County Superior Court after being charged with fraudulent schemes and artifices involving the theft of money from an estate. The said fraudulent schemes and artifices were alleged to have begun in 1991, just shortly before the attorney also became affiliated with Ash Fork Water Service as the utility's statutory agent. Inasmuch as direct

testimony by Ash Fork Water's Hume reveals that during the time said fraudulent schemes and artifices by Hansen were occurring, the attorney was also directly involved in drafting, executing and managing the utility's contract for the well drilling services involved in this dispute - a contract which led, in part, directly to this Ash Fork Water controversy. Consequently, serious questions arise concerning the statutory agent's involvement in Ash Fork Water's daily affairs - questions which now remain unanswered because the discovery process in this Phase III rate hike matter has been intentionally corrupted by bureaucratic chicanery, the lawful right to intervene in the third segment having been corruptly denied, delayed or otherwise interfered with via Commission syndicalism having the force and effect of obstruction of justice.

G. Updated Position Statement.

1). The recent (24 Mar 2004) discovery of the criminal conviction of the statutory agent for Ash Fork Water who, during the time leading up to this controversy, was actively engaged in the business transactions of the utility, raises serious new questions concerning who knew what when about the Ash Fork Water dispute which requires that all unanswered questions concerning Ash Fork Water's activities be dealt with and truthful responses provided before the utility cooperative can be allowed to pass on costs of any nature, i.e.:

- a). What was Hansen's involvement (if any) in any of the questions previously raised and obstructed by both utility and bureaucratic stonewalling?
- b). Did Hansen play any part in the creation of suspicious job categories for Ash Fork Development Association d/b/a Ash Fork Water during his tenure, principally that of Chief Executive Officer?
- c). What was the salary of the Chief Executive Officer during Hansen's tenure and what is it now?
- d). Is the purpose of regulatory authority chicanery in aiding and abetting the concealment of bookkeeping and financial records for the utility from inspection and copying in any way, form or manner intended to conceal involvement by Hansen? Any other party?
- e). Was the purpose of the commission's concealment and alteration of archival records and manipulation of the bifurcated docket in any way, form or manner tied to Hansen's involvement?
- f). Did Hansen collude with any other government agency (primarily Yavapai County or the Arizona Department of Revenue) in any attempt to wrongfully or improperly use the utility as a revenue source in order for the bureaucracy to illicitly obtain goods or services at the expense of an unaware consumer public?
- g). Is the ongoing obstructionism on the part of the commission's legal department in any way, form or manner related to these or other questions concerning Hansen's involvement?

h). Is the previous (unrelated, so far) 1995 federal government grant-in-aid obtained by Ash Fork Water during Hansen's tenure in any way, form or manner tied to any of the vexatious concealment and stonewalling chicanery being encountered by the Intervenor?

2). The neutrality of the court involved in adjudicating the Ash Fork Water dispute(s) having been justifiably challenged by the Intervenor based on evidence of predetermination - including but not limited to prejudicial bias involving a compelling desire by the Arizona Corporation Commission to influence the outcome of the proceedings in favor of the applicant utility to the detriment of the Ash Fork area consumer public, no claim of estoppel, or claim of res judicata, or any other impediment intended to conceal bureaucratic chicanery can attach or otherwise be enforced.

3). Due process having been intentionally delayed or otherwise obstructed by the bureaucracy (which is ongoing and continues during the adjudication of ACC Docket No. W01004B-03-0722), the Arizona Corporation Commission must therefore be held accountable for the aftermath of regulatory authority chicanery whenever or wherever it may have occurred.

WHEREFORE:

1). Having concluded that the July 16th draft determination opinion and order does little other than provide excuses for continuing *The Ash Fork Water Predetermined Farce* to the end result desired by the Arizona Corporation Commission all along; and

2). Proof of that conclusion having been provided by the Arizona Corporation Commission in the duplicitous draft determination's roadmap providing detailed instructions to be followed by the utility to obtain the additional \$267K despite protest; and

3). Recognizing that the Arizona Corporation Commission is, in many ways, one of the most powerful administrative bodies of Arizona state government; and

4). Recognizing also that the Arizona Corporation Commission is, in many ways, suspected by the Intervenor to be one of the most corrupt administrative bodies of Arizona state government; and

5). Recognizing also that the commission's ongoing, repetitious insertion into the record of the assertion by the utility that the Intervenor has unduly broadened the proceedings constitutes a calculated obstruction of justice; that the Arizona Corporation Commission was aware that the accusation by the utility was false when uttered, that the commission knew the accusation by the utility was known to be false when made; and, that the commission knew that the accusation by the utility, when made, was made with the intent of denying the Intervenor the right of due process with the aid and assistance of a corrupt bureaucracy; and

6). This controversy having highly intricate ramifications embodying the suspected wrongful exploitation of Ash Fork area water consumers by parties yet unknown with absolutely no relief or promise of relief provided by the Arizona Corporation Commission; and

7). The Ash Fork area consumer public having wrongly been led to believe that a federal government

grant-in-aid is paying for all that entails the convoluted, bifurcated infrastructure improvement project(s) involved in the three bifurcated Ash Fork Water matters; and

8). The Arizona Corporation Commission, having permitted Ash Fork Water to wrongly use the grant exploitation to plunge the utility's consumer constituency into a huge \$million dollar forty year debt; and

9). The regulatory authority's underhanded lies and chicanery having been exposed by the Intervenor soon after day one of the opening intervention into the first phase with request for independent inquiry and opportunity provided for investigation, discovery and prosecution of wrongdoing and/or impropriety; and

10). The Intervenor, having attempted to make both the regulatory authority and third-party law enforcement aware of the far-reaching scope of impropriety involved, has repeatedly shown that the key to understanding the basis for and ending this contentious dispute is:

a). for both the utility and the regulatory authority to end the secrecy surrounding the exploitation of the Ash Fork area consumer public;

b). for every entity involved to make the appropriate disclosures required by law so the consumer public is absolutely aware of the true financial impact the syndicalistic chicanery will have on said consumer public; and

c). for every entity involved in any portion of the Ash Fork Water infrastructure improvement project(s) to honestly reveal the true cost of each portion to the Ash Fork area consumer public, especially reckless spending and/or other chicanery involved in setting the stage to obtain controversial additional funding; and

11). It not being the obligation of the Intervenor to conduct criminal inquiries; and

12). Recognizing, finally, that no Arizona citizen, no American, should have to stand helplessly by while an out-of-control administrative agency tramples any law or right that gets in it's way in order to achieve a predetermined end at consumer expense;

the Intervenor, therefore, takes exception to and objects to the 16 July draft determination, opinion and orbder in it's entirety and prays:

For the Commission to admit that in improperly advocating for the utility in a manner biased and prejudicial while adjudicating the three bifurcated Ash Fork Water matters, the regulatory authority knowing pursued a course of action which has created a substantial risk of financial harm to the Ash Fork area consumer public.

For the Commission to admit that it's aid and assistance in concealing bookkeeping records of Ash Fork Water was deliberately calculated to deceptively keep the Ash Fork area consumer public from inspecting past financial transactions of the utility.

For the Commission to admit that since it's inception in 2002 (or whatever earlier date the Commission actually became aware of Ash Fork Water's intentions), this entire three-part bifurcated Ash

Fork Water process has been one huge, elaborate scam intended to permit government and friends of government to wrongly exploit the Ash Fork area people's consumer-owned utility as a supplemental revenue resource utilized by the bureaucracy to fund projects beneficial mainly to friends of manipulating bureaucrats and friends of the utility.

For the Commission to admit that from the beginning of this three-part bifurcated *action*, Ash Fork Water was intended to be a conduit through which federal government grant-in-aid funds could be funneled into the private sector at the expense of a vulnerable, intentionally uninformed and unaware consumer public.

For the Commission to admit that the three-part bifurcated regulatory authority process — financing, expansion and rate increase — has so far simply been a convenient tool for use by an out-of-control bureaucracy to cover up the exploitation of that very vulnerable, unaware Ash Fork area consumer group to achieve a predetermined end at consumer expense.

For the Commission to admit that after having led Ash Fork area consumers to believe that a federal grant was paying for everything involved in the *Ash Fork Well #2 Infrastructure Project*, the bureaucratically engineered scam was instead purposely aimed at utilizing the consumer-owned utility as a substitute revenue source intended to pay for improvements beneficial primarily to special interests.

For the Commission to admit that regulatory authority denial of due process, regulatory authority circumvention of due process and/or regulatory authority manipulation of due process present in the three bifurcated Ash Fork Water actions was deliberately calculated to deny or otherwise interfere with the right of the consumer public to be informed and participate in their government.

For the Commission to admit that the bureaucratic chicanery present in the three bifurcated Ash Fork Water actions was a huge spin-doctored bureaucratic conspiracy deliberately calculated to mislead and deceive a gullible consumer public to believe government was acting in their best behalf when, in fact, just the opposite was true.

For the Commission to admit that the deliberate refusal or other failure by the regulatory authority to conduct public evidentiary hearings in the town of Ash Fork rather than 150 miles away in Phoenix was a deliberately calculated attempt to deny Ash Fork area residents the opportunity to become informed about the dispute and to speak and be heard pro or con.

For the Commission to admit that the deliberate refusal by elected officials of the Arizona Corporation Commission to answer inquiries posed by a constituent constitutes misfeasance of office; that the questions posed as interrogatories were appropriate in the circumstances; and, that the only reason for an elected official to not provide answers to the inquiries was that said answers would have provided and accurate date at which the commission actually knew about the utility's first contact with commission staff, which was the true purpose of propounding interrogatories in the first place, therefore, the presumption consented to via silence is that the Arizona Corporation Commission knew about Ash

Fork Water's activities on 21 Jan 2002 or earlier.

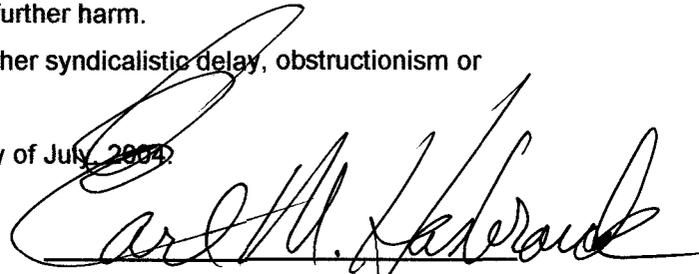
For the Commission to admit that the conduct of the 23 Apr 2004 hearing was unscrupulously corrupt; that the intimidating presence of members of the Phoenix Police Department in the hearing room on 23 April was improper; and, that the attempt by the Commission to reintroduce the \$267K loan increase as a rate surcharge during that said hearing constituted a collusive act intended to defraud or otherwise further exploit the Ash Fork area consumer public.

For the Commission to suspend further action in the Ash Fork Water matters until all unanswered questions contained in this document and elsewhere in the pleadings²⁶ of the three bifurcated actions have been fully investigated and dealt with by third-party law enforcement to the complete satisfaction of the parties and the Ash Fork area consumer public.

For the Commission to cause this entire matter, including the dockets included herein by reference, to be turned over to any oversight committee having jurisdiction as well as to the Office of the Attorney General of the State of Arizona for review, discovery, investigation and prosecution with the intent of protecting the Ash Fork area consumer public from further harm.

For the Commission to act immediately without further syndicalistic delay, obstructionism or bureaucratic chicanery of any nature whatsoever.

Intervenor so moves on this, the 22nd day of July, 2004.



Earl M. Hasbrouck, Intervenor
P. O. Box 1034
Ash Fork, Arizona 86320-1034
928/637-0302

* * *

CERTIFICATE OF SERVICE
Pursuant to R-14-3-107 A.C.C.)

I, Earl M. Hasbrouck, by my signature above, do hereby certify that on the date herein recited, I have served the foregoing document on the parties of record by placing the required number of copies into the United States mail, First Class Postage prepaid, addressed to:

Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007-2996
(Original and thirteen)

Lewis Hume, Manager
Ash Fork Development Ass'n d/b/a Ash Fork Water
P. O. Box 436
Ash Fork, AZ 86320-0436
(Conformed copy)

²⁶ See, i.e. (but not limited to) *Intervenor Memorandum Findings Of Fact And Opinion* dated 22 Oct 2003, "Analysis," which includes subcategories *Retroactive applications, Lack of public awareness, Lack of accountability, Lack of responsibility, Lack of adherence to protocol, Lack of main extension agreements, Inappropriate bifurcation of actions, Bootleg services and isolated service islands* as topics in need of investigation & resolution.