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AZ CORP COMMISSION  
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March 6, 2008

Arizona Corporation Commission  
**DOCKETED**

MAR 6 2008

DOCKETED BY 

**VIA HAND-DELIVERY AND E-MAIL**

Blessing Chukwu  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Keith Layton, Staff Attorney  
Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Re: Perkins Mountain Water Company and Perkins Mountain Utility Company  
Docket Nos. W-20380A-05-0490 and SW-20379A-05-0489  
Supplemental Responses to Staff's Second Set of Data Requests Dated 2/8/08

Dear Ms. Chukwu and Mr. Layton:

Perkins Mountain Water Company and Perkins Mountain Utility Company ("Applicants") hereby submit the attached partial responses to BNC 2.12 and BNC 2.13 of Staff's Second Set of Data Requests dated February 8, 2008. Electronic versions of these responses are also being sent to you via e-mail.

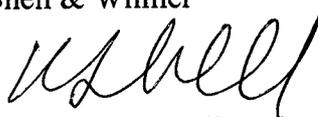
Please note that Applicants will be providing the requested information for BNC 2.12 and BNC 2.13 on a state by state basis for each state in which Utilities, Inc. owns operating utilities. Applicants will continue to supplement these responses until completed.

Blessing Chukwu  
Keith Layton  
March 6, 2008  
Page 2

If you have any questions, please do not hesitate to contact me.

Sincerely,

Snell & Wilmer



Bradley S. Carroll

BSC:jyb  
Enclosure

cc: Docket Control (Original plus 15 copies)  
Robin Mitchell, Esq. (Via e-mail only)  
Michele Finical (Via e-mail only)

**RESPONSE OF PERKINS MOUNTAIN WATER COMPANY  
AND PERKINS MOUNTAIN UTILITY COMPANY  
TO ARIZONA CORPORATION COMMISSION  
STAFF'S SECOND SET OF DATA REQUESTS  
DOCKET NOS. W-20380A-05-0490, SW-20379A-05-0489  
February 8, 2008**

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**BNC 2.12** In March 2007, the Illinois Commerce Commission in Docket No. 06-0360, cited five (5) affiliates of Utilities, Inc., for failure to comply with Commission Orders and with Commission Rules. Please provide a history of Citations issued by regulatory agencies in other jurisdictions against Utilities, Inc. and/or any of its respective affiliates since the year 2000.

Response: Utilities, Inc. is a holding company that owns the stock of approximately 90 operating utilities in 17 states. As such, to the best of my knowledge and belief, there have been no citations that have been issued by regulatory agencies against Utilities, Inc. in connection with utility compliance obligations. With respect to its utility operating company affiliates, the requested information is set forth below for each of the applicable states:

Arizona None

Georgia None

Kentucky None

Louisiana None

Mississippi None

New Jersey None

Ohio None

Tennessee None

Nevada – On October 25, 2000, the Public Utilities Commission of Nevada issued an Order in Docket No. 98-0-5008 relating to an application by *Spring Creek Utilities Company* to withdraw from its Capital Projects and Hydrant Fund. During the review of this application, the Commission's Regulatory operations Staff identified three compliance issues including a failure to obtain a permit to construct pursuant to the Nevada Utility Environmental Protection Act ("UEPA") for construction of a 500,000 gallon storage tank. *Spring Creek Utilities Company* entered into a Stipulation wherein it agreed to pay a \$5,000 fine that would be

**RESPONSE OF PERKINS MOUNTAIN WATER COMPANY  
AND PERKINS MOUNTAIN UTILITY COMPANY  
TO ARIZONA CORPORATION COMMISSION  
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February 8, 2008**

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suspended for three years and expunged if the utility obtained all necessary construction permits and there were no further violations of the UEPA A copy of the Order is attached.

Prepared by: Michael T. Dryjanski  
Manager, Regulatory Accounting  
Utilities, Inc.  
2335 Sanders Road  
Northbrook, IL 60062

**RESPONSE OF PERKINS MOUNTAIN WATER COMPANY  
AND PERKINS MOUNTAIN UTILITY COMPANY  
TO ARIZONA CORPORATION COMMISSION  
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February 8, 2008**

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**BNC 2.13** Please provide a copy of all Consent Orders entered into by Utilities, Inc. and/or any of their respective affiliates with any regulatory agencies since the year 2000.

Response: Please see the response to BNC 2.12 to the extent applicable.

Prepared by: Michael T. Dryjanski  
Manager, Regulatory Accounting  
Utilities, Inc.  
2335 Sanders Road  
Northbrook, IL 60062

**BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

In re application from SPRING CREEK UTILITIES COMPANY )  
to withdraw \$131,993.33 from its Capital Projects Fund and )  
\$39,366.36 from its Hydrant Fund. )

Docket No.98-5008

At a general session of the Public Utilities  
Commission of Nevada, held at its offices  
on October 19, 2000.

PRESENT: Chairman Donald L. Soderberg  
Commissioner Richard M. McIntire  
Commission Secretary Crystal Jackson

**COMPLIANCE ORDER**

The Public Utilities Commission of Nevada ("Commission") makes the following findings of fact and conclusions of law:

1. On May 5, 1998, Spring Creek Utilities Company ("Applicant") filed an application, designated as Docket No. 98-5008, with the Commission to withdraw \$131,993.33 from its Capital Projects Fund to reimburse Applicant for amounts expended on the construction of a 500,000-gallon storage tank and on a 3-H.P. water booster, and to withdraw \$39,366.36 from its Hydrant Fund to acquire and install sixteen (16) fire protection hydrants.
2. This application comes within the authority and jurisdiction of the Commission pursuant to Chapters 703 and 704 of the NRS and Nevada Administrative Code ("NAC") and, in particular, 704.600(4).
3. The Commission issued a public notice of this application in accordance with Nevada law and the Commission's Rules of Practice and Procedure. No protests were filed pursuant to this public notice. Pursuant to the provisions of NRS 703.320, the Commission may dispense with a hearing under these circumstances.
4. The Commission's Regulatory Operations Staff identified the following issues:  
(1) Applicant had not deposited the fund receipts into interest-bearing accounts, as required by Nevada Administrative Code ("NAC") 704.600(4); (2) certain taps were charged less than the tariff rate of \$350, resulting in a shortfall of \$14,400 in the projects account; (3) Applicant did

not file for a permit under the Utility Environmental Protection Act ("UEPA") to construct the storage tank, as required by Nevada Revised Statutes ("NRS") 704.865.

5. Staff has discovered that Applicant has since transferred the funds to interest-bearing accounts. Statements issued by the American National Bank and Trust Company of Chicago dated July 31, 2000, show that the Capital Improvements Fund had a balance of \$321,909.37 and the Fire Hydrant Account, \$545,327.75.

6. A Stipulation, attached hereto as Attachment 1, was reached to deal with the remaining issues as follows: (1) Applicant will deposit \$14,400 to make up the shortfall caused by the under collections; and (2) Applicant agrees to a fine of \$5,000 for its violation of the UEPA, to be suspended for five years. As such, if Applicant or any of its affiliated utilities committed any UEPA violations within that period, the fine will immediately become due, and, if no further violations occur, the fine will be expunged.

7. Staff recommends that the Commission approve the above-mentioned Stipulation and issue a compliance order approving withdrawals of \$131,993.33 from the Capital Projects Fund and \$39,366.36 from the Hydrant Fund, such approvals being subject to the following compliances: (1) Applicant will deposit \$14,400.00 to the Capital Projects Fund; and (2) Applicant will file within 90 days of the order a plan identifying the number of hydrants required to be installed at full build-out pursuant to Nevada Division of Forestry requirements, the anticipated costs of installations, and its estimate of fire hydrant funding requirements to satisfy the installation plan.

8. At a duly noticed agenda meeting held on October 19, 2000, the Commission voted to accept the Stipulation.

9. The Commission finds that it is in the public interest to accept the Stipulation to allow Applicant to withdraw \$131,993.33 from the Capital Projects Fund and \$39,366.36 from the Hydrant Fund, subject to the compliances in the Stipulation as described in paragraph 7, above.

10. The Commission concludes that the provisions of NAC 704.600(4) have been met.

THEREFORE, based upon the foregoing findings of fact and conclusions of law, it is hereby ORDERED that:

1. The Stipulation, attached hereto as Attachment 1, and entered into by the Spring Creek Utility Company and the Regulatory Operations Staff in Docket No. 98-5008, is APPROVED.

2. Pursuant to the Stipulation, Spring Creek Utilities Company shall: (1) deposit \$14,400 in its Capital Projects Fund to make up the shortfall caused by the under collections, and (2) file within ninety (90) days of this Compliance Order a plan identifying the number of hydrants required to be installed at full build-out pursuant to Nevada Division of Forestry requirements, the anticipated costs of installation, and its estimate of fire hydrant funding requirements to satisfy the installation plan.

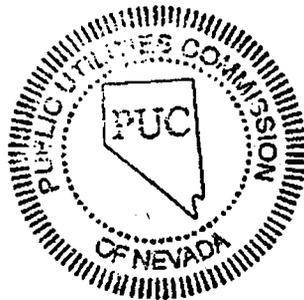
3. The Commission retains jurisdiction for the purpose of correcting any errors which may have occurred in the drafting or issuance of this Order.

By the Commission,

Crystal Jackson  
CRYSTAL JACKSON, Commission Secretary

Dated: Carson City, Nevada

(SEAL) 10/25/00



**ATTACHMENT 1**

**BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

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**In Re Application of Spring Creek Utilities Company for approval to withdraw monies from its Capital Projects and Hydrant Funds relating to four (4) completed General Order 26 projects.**

**Docket No. 98-5008**

**STIPULATION**

Pursuant to the provisions of NAC 703.350 of the Rules of Practice and Procedure before the Public Utilities Commission of Nevada ("Commission"), the Parties in the above-captioned docket, by and through their undersigned representatives, submit this Stipulation for the Commission's review and approval. The Parties to this Stipulation are the Spring Creek Utilities Company ("Spring Creek") and the Regulatory Operations Staff ("Staff") of the Public Utilities Commission of Nevada, collectively referred to as "the Parties".

**WHEREAS, Spring Creek is a public utility providing water and sewer service subject to the jurisdiction of the Commission within a portion of Elko County, Nevada; and**

**WHEREAS, on May 5, 1998, Spring Creek filed a Petition pursuant to NAC 704.600 (4) and (5), for authority to withdraw certain funds from its Capital Projects Fund and Hydrant Fund for reimbursement of funds it had expended for capital and fire protection improvements; and**

**WHEREAS, the Petition specifically sought permission to withdraw the sums of (a) \$125,788.13 from the Capital Projects Fund for the cost of the construction and installation of a new 500,000 gallon water storage tank; (b) \$6,205.20 from the Capital Projects Fund for the acquisition and installation of a 30 HP water booster; (c) \$10,479.61 from the Hydrant Fund for the acquisition and installation of (5) five fire protection hydrants; and (d) \$28,886.75 from the Hydrant Fund for the acquisition and installation of five (5) fire protection hydrants; and**

**WHEREAS, at the time this Petition was filed, the Spring Creek Capital Project Fund had a balance of \$ 242,890, and the Spring Creek Hydrant Fund had a balance of \$268, 534; and**

1           WHEREAS, in a letter to the Commission dated May 27, 1998 from counsel to Spring Creek,  
 2 Spring Creek informed the Commission of an error in the original Petition, noting that the second group  
 3 of fire hydrants should have stated eleven (11) hydrants rather than five (5) hydrants, and asked the  
 4 Commission to correct the same in its Notice; and

5           WHEREAS, the Commission issued a Notice of the Petition, as corrected by Spring Creek, on  
 6 June 5, 1998 and docketed the same as Number 98-5008; and

7           WHEREAS, the Commission's Regulatory Operations Staff filed Comments on June 24, 1998;  
 8 and

9           WHEREAS, the Commission, by its own action, issued a Corrected Notice of Filing on June  
 10 25, 1998 designating the matter as an "Application" pursuant to NAC 703.560 (3) rather than a  
 11 "Petition"; and

12           WHEREAS, during the course of its investigation Staff found Spring Creek's Capital Project  
 13 Fund had a shortfall of \$14,400, based on Spring Creek, for a period of time, collecting a \$250 hook-up  
 14 fee instead of the required \$350 hook-up fee; and

15           WHEREAS, Commission's Regulatory Operations Staff has completed its investigation and  
 16 review of this matter; and

17           WHEREAS, Staff's investigation revealed that Spring Creek had constructed the 500,000 gallon  
 18 storage tank without having first obtained a permit to construct under Nevada's Utility Environmental  
 19 Protection Act ("UEPA"), as required by NRS 704.820- NRS 704.900.

20           NOW, THEREFORE, subject to the Commission's approval, the Parties agree and stipulate as  
 21 follows:

- 22           1. Prior to the withdrawal of any funds authorized by Paragraphs 2 and 3 below, the current  
 23 balances of both the Capital Project Funds and the Fire Hydrant Funds are to be deposited into separate  
 24 interest bearing accounts, with interest earning remaining with the accounts, pursuant to the previous  
 25 Commission Orders in Docket Nos. 91-4030, and 94-9014, and in accordance with the provisions of  
 26 NAC 704.600.

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1           2.       Spring Creek should be authorized to withdraw \$125,788.13 from its Capital Projects  
 2 Fund for the construction of the 500,000 gallon water storage tank as described in Exhibit "A" of its  
 3 Application, and should additionally be authorized to withdraw \$6,205.20 from its Capital Projects Fund  
 4 for the 30 HP booster pump, as described in Exhibit "B" of its Application. Upon withdrawal of the  
 5 sums set forth herein, Spring Creek shall deposit into the Capital Project Fund the \$14,400 shortfall  
 6 from Spring Creek's under collection of the hook-up fee.

7           3.       Spring Creek should be authorized to withdraw from the Hydrant Fund the sum of  
 8 \$10,479.91 for the installation of five (5) fire hydrants as described in Exhibit "C" of its Application,  
 9 and should be additionally authorized to withdraw from the Hydrant Fund \$28,886.75 for the installation  
 10 of eleven (11) fire hydrants as described in Exhibit "D" of its Application.

11           4.       Spring Creek agrees to file, within 90 days approval of any Stipulation or Commission  
 12 Order in this docket, a plan identifying the number of hydrants required to be installed at full build out  
 13 pursuant to Nevada Division of Forestry requirements, the anticipated costs of installations, and its  
 14 estimate of fire hydrant funding requirements to satisfy the installation plan.

15           5.       Spring Creek acknowledges that it failed to obtain a permit to construct under the Nevada  
 16 Utility Environmental Protection Act ("UEPA") prior to construction of the 500,000 gallon storage tank,  
 17 as required by NRS 704.820--704.900. Spring Creek agrees to the imposition of a \$5,000.00 fine for this  
 18 violation. However, the requirement to pay this fine will be suspended and held in abeyance for a period  
 19 of three (3) years, provided that Spring Creek and all of its affiliates or agents secure all required UEPA  
 20 construction permits in the future. If, before the expiration of the three (3) year period, Spring Creek  
 21 or any of its affiliates or agents, causes any other facility to be constructed in violation of UEPA, the  
 22 entire fine of \$5,000.00, together with interest calculated at the legal interest rate, from the date of the  
 23 final order implementing this Stipulation, will become immediately due. If, however, there are no  
 24 further violations of UEPA in the five year period from the date of the final order implementing this  
 25 Stipulation, the \$5,000.00 fine will be expunged.

26           6.       This Stipulation is made upon the express understanding that it constitutes a negotiated  
 27 settlement. The provisions of this Stipulation are not severable. In the event the Stipulation is not  
 28

1 approved by the commission, it shall be deemed withdrawn, without prejudice to any claim or  
 2 contentions which may have been made in these proceedings by any Party and it shall not be admissible  
 3 as evidence or in any way described or discussed in any proceedings hereinafter. The Commission's  
 4 approval of the Stipulation shall not be deemed, in any way, to constitute a precedent regarding any  
 5 principles or issues resolved by or through this Stipulation.

6 RESPECTFULLY SUBMITTED this \_\_\_\_ day of October, 2000.

7 REGULATORY OPERATIONS STAFF OF  
 8 THE PUBLIC UTILITIES COMMISSION

9 By: Alaina Burtenshaw  
 10 Alaina Burtenshaw, Esq.  
 11 ASSISTANT STAFF COUNSEL  
 12 101 Convention Center Dr., Suite 250  
 13 Las Vegas, NV 89102  
 14 702/486-7234

15 SPRING CREEK UTILITIES COMPANY

16 By: Carl J. Way  
 17 Vice President, Regulatory Matters  
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