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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission
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COMMISSIONERS

MIKE GLEASON, Chairman
JEFF HATCH-MILLER
WILLIAM A. MUNDELL
KRISTIN K. MAYES
GARY PIERCE

2008 FEB -8 P 4: 15
AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
PERKINS MOUNTAIN UTILITY COMPANY
FOR A CERTIFICATE OF CONVENIENCE
AND NECESSITY.

DOCKET NO. SW-20379A-05-0489

IN THE MATTER OF THE APPLICATION OF
PERKINS MOUNTAIN WATER COMPANY
FOR A CERTIFICATE OF CONVENIENCE
AND NECESSITY.

DOCKET NO. W-20380A-05-0490

NOTICE OF FILING

Staff of the Arizona Corporation Commission ("Staff") hereby files its First and Second Sets of Data Requests to Perkins Mountain Water Company and Perkins Mountains Utility Company's Third Set of Data Requests in the above-referenced matter.

RESPECTFULLY SUBMITTED this 8th day of February, 2008.

Keith A. Layton, Attorney
Robin R. Mitchell, Attorney
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

Original and fifteen (15) copies of the foregoing were filed this 8th day of February, 2008 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

...

1 Copies of the foregoing mailed
this 11th day of February, 2008 to:

2 Jeffrey Crockett
3 Bradley S. Carroll
Snell & Wilmer
4 One Arizona Center
400 East Van Buren Street
5 Phoenix, Arizona 85004

6 Booker T. Evans
Kimberley A. Warshawsky
7 Greenberg Traurig
2375 East Camelback Road, Suite 700
8 Phoenix, Arizona 85016
Attorneys for Sports Entertainment, LLC

9 Scott Fisher
10 Sports Entertainment
808 Buchanan Boulevard, Suite 115-303
11 Boulder City, Nevada 89005

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13 Keup Christine
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COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
GARY PIERCE



BRIAN C. McNEIL
Executive Director

ARIZONA CORPORATION COMMISSION

February 4, 2008

Via E-mail and United States Mail

Jeffrey W. Crockett
Bradley S. Carroll
Snell & Wilmer, LLP
One Arizona Center
Phoenix, Arizona 85004

Re: Staff's First Set of Data Requests to Perkins Mountain Water Company and
Perkins Mountain Utility Company
Docket Nos. W-20380A-05-0490 and SW-20379A-05-0489

Dear Messrs. Crockett and Carroll:

Please treat this as Staff's First Set of Data Requests to Perkins Mountain Water Company in the above matter.

For purposes of this data request set, the words "Perkins Mountain Water Company," "Company," "you," and "your" refer to Perkins Mountain Water Company and any representative, including every person and/or entity acting with, under the control of, or on behalf of Perkins Mountain Water Company. For each answer, please identify by name, title, and address each person providing information that forms the basis for the response provided.

These data requests are continuing, and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses.

Please respond within **ten** calendar days of your receipt of the copy of this letter. However, if you require additional time, please let us know.

Please provide one hard copy as well as searchable PDF, DOC or EXCEL files (via email or electronic media) of the requested data directly to each of the following addressees via overnight delivery services to:

- (1) Crystal Brown, Utilities Division, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007.
- (2) Keith A. Layton, Attorney, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007.

Sincerely,

A handwritten signature in black ink that reads "Keith A. Layton".

Keith A. Layton
Attorney, Legal Division
(602) 542-3402

KAL:klc
Enclosure

**ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET OF DATA REQUESTS TO
PERKINS MOUNTAIN WATER COMPANY AND
PERKINS MOUNTAIN UTILITY COMPANY
Docket Nos. W-20380A-05-0490; W-20380A-05-0489
February 4, 2008**

Subject: All information responses should ONLY be provided in searchable PDF, DOC or EXCEL files via email or electronic media.

- CSB 1.1 Perkins Mountain Water, Projected Balance Sheet, Fifth Year – Referring to Schedule A-1, Page 1, “Paid in Capital” filed December 21, 2007, please explain in detail how Perkins Water and/or its parent company and/or its ultimate parent company has or will acquire the funds necessary to provide the \$5.8 million paid in capital balance. As part of your response, please provide supporting documentation, identify the parent and/or ultimate parent company, and provide an organization chart. If the information has been previously provided, please provide the data request number.
- CSB 1.2 Perkins Mountain Utility, Projected Balance Sheet, Fifth Year – Referring to Schedule A-1, Page 1, “Paid in Capital” filed December 21, 2007, please explain in detail how Perkins Water and/or its parent company and/or its ultimate parent company has or will acquire the funds necessary to provide the \$5.65 million paid in capital balance. As part of your response, please provide supporting documentation, identify the parent and/or ultimate parent company, and provide an organization chart. If the information has been previously provided, please provide the data request number.
- CSB 1.3 Financial Capability – Please discuss whether or not Perkins Mountain Water and Perkins Mountain Utilities and/or their parent company and/or their ultimate parent company have the financial capability to provide the requested service. As part of your response please discuss assets, liabilities, financial reputation, and the access to capital markets of the company(s) who will be providing the financial resources.
- CSB 1.4 Judgments/Liens – Please identify any and all judgments and/or liens against assets for which the Perkins Companies or its affiliates will use as evidence of financial capability in this proceeding.
- CSB 1.5 Financial Statements – Please provide the latest audited financial statements for the Perkins Companies parent company and ultimate parent company. If audited financial statements do not exist, please provide the latest unaudited financial statements.
- CSB 1.6 Work Papers (Electronic Copy) – Please provide on disk in Microsoft Excel or other format (if Excel is not used) copies of all electronic schedules and workpapers created in the process of preparing and supporting the current filing.

COMMISSIONERS
MIKE GLEASON- Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE



BRIAN C. McNEIL
Executive Director

ARIZONA CORPORATION COMMISSION

February 8, 2008

Via E-mail and United States Mail

Jeffrey W. Crockett
Bradley S. Carroll
Snell & Wilmer, LLP
One Arizona Center
Phoenix, Arizona 85004

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

Dear Messrs. Crockett and Carroll:

Please treat this as Staff's Second Set of Data Requests to Perkins Mountain Water Company in the above matter.

For purposes of this data request set, the words "Perkins Mountain Water Company," "Company," "you," and "your" refer to Perkins Mountain Water Company and any representative, including every person and/or entity acting with, under the control of, or on behalf of Perkins Mountain Water Company. For each answer, please identify by name, title, and address each person providing information that forms the basis for the response provided.

These data requests are continuing, and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses.

Please respond within ten calendar days of your receipt of the copy of this letter. However, if you require additional time, please let us know.

Please provide one hard copy as well as searchable PDF, DOC or EXCEL files (via email or electronic media) of the requested data directly to each of the following addressees via overnight delivery services to:

- (1) Blessing Chukwu, Utilities Division, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007.
- (2) Keith A. Layton, Attorney, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007.

Sincerely,

A handwritten signature in black ink, appearing to read "Robin Mitchell".

Keith A. Layton, Attorney
Robin Mitchell, Attorney
Legal Division
(602) 542-3402

KAL:RM:klc
Enclosure

**ARIZONA CORPORATION COMMISSION
STAFF'S SECOND SET OF DATA REQUESTS TO
PERKINS MOUNTAIN WATER COMPANY AND
PERKINS MOUNTAIN UTILITY COMPANY
Docket Nos. W-20380A-05-0490; W-20380A-05-0489
February 8, 2008**

Subject: All information responses should **ONLY** be provided in searchable PDF, DOC or EXCEL files via email or electronic media.

- BNC 2.1 Please provide the address and telephone numbers for Perkins Mountain Water Company and Perkins Mountain Utility Company.
- BNC 2.2 Please provide the name, address and telephone numbers of the person(s) that will be the certified operator(s) for Perkins Mountain Water Company and Perkins Mountain Utility Company.
- BNC 2.3 Please provide the name, address and telephone numbers of the person(s) that will be the on-site manager of Perkins Mountain Water Company and Perkins Mountain Utility Company.
- BNC 2.4 Please provide a status report of the utility construction activities in the Golden Valley South and The Villages at White Hills Developments.
- BNC 2.5 Please explain how Perkins Mountain Utility Company intends to dispose of the effluent that would be generated by its wastewater treatment plant.

Fit and Proper

- BNC 2.6 Please provide a detailed explanation of the relationship between Utilities, Inc., Perkins Mountain Water Company, Perkins Mountain Utility Company, Hydro Star, LLC, Nuon NV, and AIG Highstar Capital, L.P., American International Group, Inc.?
- BNC 2.7 Please provide an organizational chart and/or an ownership summary that depicts the ownership structure of Perkins Mountain Water Company and Perkins Mountain Utility Company. Please include the percentage of ownership interest.
- BNC 2.8 According to Utilities, Inc.'s Press Release dated March 21, 2007, and July 12, 2007 which announces the appointments of Mr. John Stover as Corporate Secretary and Vice President and Mr. Steve Lubertozzi and Mr. John Hoy as Chief Financial Officer and Chief Regulatory Officer, respectively; Utilities, Inc., is "a portfolio company of AIG Highstar Capital". Staff's understanding is that AIG Highstar Capital is an equity buyer or investor. Please provide the following information: (a) What is the expected term of ownership for Utilities, Inc., Perkins Mountain Water Company, and Perkins Mountain Utility Company? (b) How long was Utilities, Inc. owned by its prior owner? (c) How long has Utilities, Inc.,

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February 8, 2008**

Subject: All information responses should **ONLY** be provided in searchable PDF, DOC or EXCEL files via email or electronic media.

been a portfolio company of AIG Highstar Capital? (d) Does Utilities, Inc. anticipate acquiring any other utilities in Arizona? (e) Does Mr. Jim Rhodes, and/or family members, have a direct or beneficial equity, partnership, membership or other ownership interest in AIG Highstar Capital, L.P., American International Group, Inc. and/or any of their respective affiliates? (f) Has AIG Highstar Capital, L.P., American International Group, Inc. and/or any of their respective affiliates been sanctioned by the Security and Exchange Commission? Please explain.

BNC 2.9 According to the November 30, 2007 Amendment to Application, Utilities, Inc., neither Mr. Jim Rhodes nor any of his affiliated business enterprises have any ownership interest in Utilities, Inc. However, the language of the terms and conditions of the Stock Purchase and Utilities Service Agreement creates an impression that Mr. Rhodes is still in a decision making role for Perkins Mountain Water Company and Perkins Mountain Utility Company. Please explain in detail: (a) Why Mr. Jim Rhodes and/or any of his affiliated business enterprises will prepare the Master Plans for the water and wastewater systems? (b) Why would Utilities Inc. and/or Perkins Mountain Water Company and Perkins Mountain Utility Company get prior consent of Mr. Jim Rhodes or his affiliated business enterprise in order to take certain actions?

BNC 2.10 According to Utilities, Inc.'s Press Release dated March 21, 2007, and July 12, 2007, mentioned above; "Utilities, Inc. was formed in 1965 to provide developers with an alternative method to obtain water and wastewater utility service." Please provide a description of Utilities, Inc.'s experience in providing water and/or wastewater utility service to developments of the same or comparable magnitude and/or size as Golden Valley South and The Village at White Hills.

BNC 2.11 Bermuda Water Company was granted a CC&N in 1962 to provide water service in portions of Mohave County, Arizona. According to the November 30, 2007 Amendment to Application, "Utilities, Inc., acquired Bermuda Water Companythrough a stock transaction in 1999." As evidenced by Utilities, Inc.'s list of "Recent News" on Utilities, Inc.'s website, Utilities, Inc. has embarked on various expansion, replacement, renovation, relocation, and/or upgrades of its water and/or wastewater facilities. Since 1999, how much has Utilities, Inc. spent to upgrade Bermuda Water Company's water system? Does Utilities, Inc. anticipate merging Bermuda Water Company and Perkins Mountain Water Company operations in Mohave County? Please explain.

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Subject: All information responses should ONLY be provided in searchable PDF, DOC or EXCEL files via email or electronic media.

- 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.
- 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.
- BNC 2.14 Have any of the officers, directors and/or employees of Utilities, Inc., Perkins Mountain Water Company, and/or Perkins Mountain Utility Company and their respective affiliates been accused of allegations of political corruption (including but not limited to campaign violations and election law violations); allegations of construction violations; allegations of misconduct; and filings at administrative hearings, at the local, state, or federal agencies, including at the Federal Elections Commission, Registrar of contractors, or any violations of law? If so, please provide a comprehensive list of all affiliated individuals and entities that have been accused of the above mentioned allegations; the litigation history; and the individual case disposition.
- BNC 2.15 Have any of the persons or entities listed in No. 14 above been convicted or admitted to any of the allegations listed?
- BNC 2.16 Has Utilities, Inc. and any of its affiliates ever filed for bankruptcy? If so, please provide the litigation history and the case disposition.
- BNC 2.17 Have any of the officers and/or directors affiliated to Utilities, Inc., Perkins Mountain Water Company, and/or Perkins Mountain Utility Company and any of their respective affiliates ever filed for bankruptcy? If so, please provide the litigation history and the case disposition.
- BNC 2.18 Please describe any and all mechanics, tax or other liens that have been assessed against any of the above mentioned entities from January 1, 1998 through and including the date of the response to this data request.

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Subject: All information responses should ONLY be provided in searchable PDF, DOC or EXCEL files via email or electronic media.

BNC 2.19 Please indicate as to whether each of the services indicated below will be provided by Perkins Mountain Water Company, and/or Perkins Mountain Utility Company employees or by other affiliated entities and if being provided by an affiliate, please indicate the name of the affiliate: Engineering, Accounting Legal, Management, Administration, Billing, Customer Assistance, Meter Reading, Repairs and Maintenance, Tax Administration.