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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
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Arizona Corporation Commission

DOCKETED

AUG 8 2011

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF  
TUSAYAN WATER DEVELOPMENT  
ASSOCIATION, INC. FOR  
ESTABLISHMENT OF RATES FOR WATER  
SERVICE

DOCKET NO. W-02350A-10-0163

IN THE MATTER OF THE APPLICATION OF  
ANASAZI WATER COMPANY, LLC FOR  
ADJUDICATION "NOT A PUBLIC SERVICE  
CORPORATION"

DOCKET NO. W-20765A-10-0432

IN THE MATTER OF THE APPLICATION OF  
HYDRO-RESOURCES, INC. FOR  
ADJUDICATION "NOT A PUBLIC SERVICE  
CORPORATION"

DOCKET NO. W-20770A-10-0473

**ANASAZI WATER COMPANY LLC'S RESPONSE TO  
SQUIRE MOTOR INNS, INCORPORATED'S APPLICATION TO INTERVENE  
AND CONDITIONAL MOTION FOR EXTENSION OF TIME**

Anasazi Water Company LLC ("Anasazi") hereby files its response to Squire Motor Inns, Incorporated's ("Squire") Application to Intervene and Conditional Motion for Extension of Time ("Application") and joins in Hydro-Resources Inc.'s ("Hydro") response to Squire's Application.

At noted in the Hydro response: (1) the parties agree that the Town of Tusayan ("Town") is the best party to own and operate the subject water systems but it is has not yet reached a decision to acquire the assets at this time and it has not

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1 presented any schedule to do so; (2) Tusayan Water Development Association  
2 ("TWDA") appears willing to relinquish the certificate of convenience and necessity  
3 ("CC&N") it now holds; (3) Squire is a key player in the water system since it holds a  
4 major source of the water supply for the Town but has not been joined in these  
5 proceedings; and (4) in the absence of the Town extinguishing TWDA's CC&N and  
6 acquiring the separate assets of Anasazi and Hydro, the town faces the possibility of  
7 being served by two basically disconnected, disassociated entities which would not  
8 be in the public interest.

9 Squire accurately summarizes the facts in its Application. As discussed in the  
10 pre-filed direct testimony of Hydro's President, John W. Rueter, docketed on June 20,  
11 2011, Hydro purchases water from Squire produced by a well owned by Squire  
12 (Squire #1, ADWR #55-523284) which Hydro uses to supplement the water its sells  
13 on a wholesale basis to TWDA. Squire also accurately states that Hydro leases 2  
14 million gallons of storage space in a storage tank owned by Squire and uses certain  
15 water mains owned by Squire to deliver water to TWDA's customers. Additionally,  
16 Squire confirmed that it is an essential source of water to the Town and that Squire  
17 has an agreement with Hydro by which Squire sells excess potable water from its  
18 well to Hydro. See Application at 1 and Exhibit A. Squire also confirmed that Hydro  
19 relies on a storage tank and distribution facilities owned by Squire. *Id.* at 2-3. Thus,  
20 any party establishing or operating a unified water system for TWDA, whether it be  
21 the Town itself or Hydro, will need to obtain operating agreements with Squire. *Id.*  
22 Squire has clearly fulfilled the test of being "directly and substantially affected by  
23 [these] proceedings" pursuant to A.A.C. R14-3-105.

24 It is also important to note that after working with the Town in an effort to  
25 facilitate consolidation of the systems by acquisition, Anasazi and Hydro have

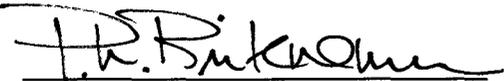
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1 commenced discussions toward a business solution of merging their systems and  
2 enabling a successor CC&N holder to operate a new, integrated water system at  
3 rates approved by the Arizona Corporation Commission. As the cases are currently  
4 set, however, their efforts are by necessity focused on preparing for a September  
5 hearing to litigate the public service corporation issues rather than focusing on an  
6 agreed upon resolution.

7 For the reasons set forth above and outlined in the Hydro's Joinder in Squire's  
8 Application, Squire's Application to Intervene and Motion for Extension of Time  
9 should be granted. Complete relief cannot be accorded without Squire in the case.  
10 Additionally, this docket should be shifted to a focus on settlement versus litigation  
11 issues that might lead to results that are not in the ultimate public interest.  
12 Accordingly, Anasazi urges that the Commission grant Squire the right to intervene,  
13 suspend the current briefing and hearing schedule, and convert the September 9,  
14 2011 hearing date to a settlement conference.

15  
16 RESPECTFULLY SUBMITTED this 8th day of August, 2011.

17 Shorall McGoldrick Brinkmann

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20 Paul L. Brinkmann  
21 Attorney for Anasazi Water Company, LLC

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1 **ORIGINAL and 13 COPIES** of the  
2 foregoing filed this 8th day of  
August, 2011, with:

3 Docket Control Division  
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5 1200 W. Washington  
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7 **COPY** of the foregoing hand-delivered  
8 this 8th day of August, 2011 to:

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17 **COPY** of the foregoing mailed  
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