

**ORIGINAL**

PHONE - (800)919-0231 FAX - (928)537-1245 E-MAIL - waterc  
PO BOX 1270 SHOW LOW, AZ 85902



0000138811

August 24, 2012

RECEIVED  
AZ CORP COMMISSION  
DOCKET CONTROL

RE: Docket No. W-20475A-12-0143  
Staff's Second Request for an Extension of Time

2012 AUG 29 AM 9 20

To Whom It May Concern:

In association with aforementioned Docket Number and Document Description, the wording contained in the document reads, "A second extension is now needed due primarily to the delay in receiving Company responses to several of Staff's data requests."

Watco, Inc. was not opposed to Staff requesting a time extension if more time was required to perform an equitable review; however, Watco, Inc. does not believe that responsibility for the time extension should be placed on Watco, Inc. when Watco, Inc.'s response time to Commission Staff has been very reasonable. Attached is a schedule identifying the dates that Watco, Inc. received a Request and the date the request was responded to. The schedule also references the attached documentation providing backup to the dates listed. Additionally, the schedule identifies the number of days that elapsed between the request and the response. As is observed on the schedule, the only responses that were delayed were Watco, Inc.'s response to Staff's First and Second Data Requests. All other Company responses to Staff's requests have been very timely. Thank you. Have an excellent day!

Best Regards,

Thomas Grapp

Arizona Corporation Commission  
**DOCKETED**  
AUG 29 2012  
DOCKETED BY

	Date Received/Mailed	Reference	Date Responded/Mailed	Reference	Response Time in Days	Notes
Staff's First Set of Data Requests	21-May-12	1A	4-Jun-12	1B	15	Staff was notified on June 2 that the response would be mailed on June 4. See 2.2 and 2.3.
Staff's Second Set of Data Requests	21-May-12	2A	4-Jun-12	2B	15	
Katrin Stukov Request	20-Jun-12	6A	22-Jun-12	3A	3	
Katrin Stukov Request	June 22-29, 2012	After 6A	29-Jun-12	4A	8	
Katrin Stukov Request	2-Jul-12	4B	2-Jul-12	4.1A	1	
Katrin Stukov Request	12-Jul-12	5A	12-Jul-12	5B	1	
Katrin Stukov Request	13-Jul-12	7B	13-Jul-12	7A	1	
Katrin Stukov Request	16-Jul-12	7C	16-Jul-12	7D	1	
Brendan Aladi Request	26-Jul-12	8A	27-Jul-12	8B	2	
Brendan Aladi Request	26-Jul-12	8A	3-Aug-12	11A	9	
Brendan Aladi Request	27-Jul-12	9A	28-Jul-12	9B	2	
Brendan Aladi Request	31-Jul-12	10A	1-Aug-12	10B	2	
Brendan Aladi Request	31-Jul-12	10A	3-Aug-12	10C	4	
Brendan Aladi Request	6-Aug-12	12A	7-Aug-12	12B	2	
Brendan Aladi Request	6-Aug-12	12A	10-Aug-12	12C	5	
Staff's Third Set of Data Requests	8-Aug-12	13A	13-Aug-12	14a	6	
Brendan Aladi Request	17-Aug-12	15A	20-Aug-12	15B	4	
Brendan Aladi Request	23-Aug-12	16A	24-Aug-12	16B	2	

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ERNEST G. JOHNSON  
Executive Director

ARIZONA CORPORATION COMMISSION

May 21, 2012 *A*

Mark Grapp  
Watco, Inc.  
P.O. Box 1270  
Show Low, Arizona 85902

Via U.S. Mail and eMail to:  
[watercos@gmail.com](mailto:watercos@gmail.com)

Re: Staff's First Set of Data Requests to Watco, Inc.  
Docket No. W-20475A-12-0143

Dear Mr. Grapp:

Please treat this as Staff's First Set of Data Requests to Watco, Inc., in the above-referenced matter.

For purposes of this data request set, the words "Watco," "Company," "you," and "your" refer to Watco, Inc. and any representative, including every person and/or entity acting with, under the control of, or on behalf of Watco, Inc. 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 (10) 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) Katrin Stukov, Utilities Division, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007 - [kstukov@azcc.gov](mailto:kstukov@azcc.gov).
- (2) Brian E. Smith, Attorney, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007 - [besmith@azcc.gov](mailto:besmith@azcc.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Brian E. Smith".

Brian E. Smith  
Attorney, Legal Division  
(602) 542-3402

BES:mam  
Enclosure  
cc: Gordon Fox (via email only - [gfox@azcc.gov](mailto:gfox@azcc.gov))

1200 WEST WASHINGTON STREET; PHOENIX, ARIZONA 85007-2827 / 400 WEST CONGRESS STREET; TUCSON, ARIZONA 85701-1347

[WWW.AZCC.GOV](http://WWW.AZCC.GOV)

Completed June 2, 2012

*B*

June 2, 2012

RE: STAFF'S FIRST SET OF DATA REQUESTS TO WATCO, INC. DOCKET NO. W-20475A-12-0143

Dear Katrin Stukov,

Watco, Inc.'s Response to Staff's First Set of Data Requests is compiled below by stating Staff's request, as contained in the Request dated May 21, 2012, and subsequently providing a response.

KS 1.1: With regard to Water Use Data Sheets (pages 18 of the application), it appears that Watco has two water systems: Public Water System ("PWS") No. 09-049 and PWS No. 09-091. Please provide the following information:

- a) Name of each water system;

Each water system is contained under the Watco, Inc. name.

- b) Please state when did the Company merged its Silver Lake system (PWS No. 09-027) and Bourdon Ranch system (PWS No. 09-049);

PWS No. 09-027 and PWS No. 09-049 have been combined since March 25, 2010.  
Please see Attachment A.

- c) Please state when did the Company put its new water system (PWS No. 09-091) in service;

The Main Extension Agreement was approved on February 1, 2008.

- d) Gallons pumped cannot be less than gallons sold. However, from the water use data for PWS No. 09-091, annual gallons pumped-246,500 gallons and annual gallons sold-387370. Also, gallons pumped data is not provided for 7 months of Test Year. Please explain/verify.

The master meter located at the well servicing PWS 09-091 was not reading correctly during the Test Year. Due to lack of funds, the meter was not corrected.

COMMISSIONERS  
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ERNEST G. JOHNSON  
Executive Director

ARIZONA CORPORATION COMMISSION

May 21, 2012 *A*

Mark Grapp  
Watco, Inc.  
P.O. Box 1270  
Show Low, Arizona 85902

Via U.S. Mail and eMail to:  
[watercos@gmail.com](mailto:watercos@gmail.com)

Re: Staff's **Second** Set of Data Requests to Watco, Inc.  
Docket No. W-20475A-12-0143

Dear Mr. Grapp:

Please treat this as Staff's **Second** Set of Data Requests to Watco, Inc., in the above-referenced matter.

For purposes of this data request set, the words "Watco," "Company," "you," and "your" refer to Watco, Inc. and any representative, including every person and/or entity acting with, under the control of, or on behalf of Watco, Inc. 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 (10)** 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) Katalin Nagy, Utilities Division, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007 - [knagy@azcc.gov](mailto:knagy@azcc.gov).
- (2) Brian E. Smith, Attorney, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007 - [besmith@azcc.gov](mailto:besmith@azcc.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Brian E. Smith".

Brian E. Smith  
Attorney, Legal Division  
(602) 542-3402

BES:mam  
Enclosure  
cc: Gordon Fox (via email only - [gfox@azcc.gov](mailto:gfox@azcc.gov))

WATCO, INC.  
PHONE – (800)919-0231 FAX – (928)537-1245 E-MAIL – watercos@gmail.com  
PO BOX 1270 SHOW LOW, AZ 85902

June 2, 2012

RE: STAFF'S SECOND SET OF DATA REQUESTS TO WATCO, INC. DOCKET NO. W-20475A-12-0143

Dear Katalin Nagy,

Watco, Inc.'s Response to Staff's Second Set of Data Requests is compiled below by stating Staff's request, as contained in the Request dated May 21, 2012, and subsequently providing a response.

KN 2.1: Outside services – Please explain the reason for the increase from \$2,364 in 2010 to \$9,315 in 2011. Provide supporting documentation.

The increase aligns with an increase from JNJ Accounting and the contracting with eWaterbilling.com to perform billing services. For documentation of expenses, please see Attachment A.

KN 2.2: Rents – Please explain the reason for the increase from \$7,255 in 2010 to \$17,752 in 2011. Provide supporting documentation.

Not all expenses due to be paid in 2010 were paid in 2010; consequently, some expenses were carried over to 2011 on the P&L. The correct amount of rents for 2011 is \$10489.22 as indicated on the documentation submitted with the original rate case and included herein as Attachment B for your convenience.

KN 2.3: Outside Services – Please explain and reconcile the difference between the \$9,315 recorded amount per the Company's income statement and the \$10,905 base amount in the pro forma adjustment (Attachment 1).

As a matter of clarification, the 2011 ADJ column as listed on the Proforma Adjustment is what Watco, Inc.'s Test Year 2011 should have been after necessary adjustments were made using invoices available at the time of preparing the rate case. The Proforma column as listed on the Proforma Adjustment is where Watco, Inc.'s income statement should be starting in 2012. Adjustments can be calculated using the documentation provided in the original application in the Proforma adjustments section and the 2011 invoices with accompanying Excel spreadsheets identifying any adjustments. The reconciliation requested is included herein as Attachment C. For supporting documentation, please refer to Attachment A.



Thomas Grapp <watercos@gmail.com>

**(12-0143) Watco, Inc.**

4 messages

**Monica Martinez** <MMartinez@azcc.gov> Mon, May 21, 2012 at 3:58 PM  
To: "watercos@gmail.com" <watercos@gmail.com>  
Cc: Katrin Stukov <KStukov@azcc.gov>, Gordon Fox <GFox@azcc.gov>, Brian Smith <BESmith@azcc.gov>  
  
re: Docket No. W-20475A-12-0143 - Watco, Inc.

Attached is Staff's First Set of Data Requests to Watco, Inc. regarding the above-referenced docket.

Monica A. Martinez  
Administrator, Legal Division

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**12-0143 - DR 1.pdf**  
105K

**Monica Martinez** <MMartinez@azcc.gov> Mon, May 21, 2012 at 3:58 PM  
To: "watercos@gmail.com" <watercos@gmail.com>  
Cc: Katalin Nagy <KNagy@azcc.gov>, Gordon Fox <GFox@azcc.gov>, Brian Smith <BESmith@azcc.gov>  
  
re: Docket No. W-20475A-12-0143 - Watco, Inc.

Attached is Staff's Second Set of Data Requests to Watco, Inc. regarding the above-referenced docket.

Monica A. Martinez  
Administrator, Legal Division

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**12-0143 - DR 2.pdf**  
107K

**Thomas Grapp** <watercos@gmail.com> Fri, May 25, 2012 at 7:12 AM  
To: Monica Martinez <MMartinez@azcc.gov>

Aloha,

Watco, Inc. plans to have the Data Requests mailed to the ACC on or before June 2, 2012. Thank you.

Best Regards,

Thomas Grapp

[Quoted text hidden]

--

Best Regards,

Thomas Grapp

(928) 537-8739  
watercos@gmail.com

---

**Thomas Grapp** <watercos@gmail.com>  
To: Monica Martinez <MMartinez@azcc.gov>

Sat, Jun 2, 2012 at 5:41 PM

Alohad Monica,

Due to the size of the responses, mailing of the responses will need to wait until Monday. Thank you.

On Mon, May 21, 2012 at 3:58 PM, Monica Martinez <MMartinez@azcc.gov> wrote:

[Quoted text hidden]

[Quoted text hidden]



Thomas Grapp <watercos@gmail.com>

**Watco, Inc. Rate Case**

1 message

**Thomas Grapp** <watercos@gmail.com>  
To: Katrin Stukov <kstukov@azcc.gov>

Fri, Jun 22, 2012 at 5:04 PM

Aloha Katrin,

I received a message with various questions you posed during a phone conversation. I will attempt to answer the questions according to my understanding of the question. If you have further questions, please e-mail me at watercos@gmail.com.

Please provide the Certificate of Approval to Construct and Certificate of Approval of Construction for Canyon Vista and Cedar Mesa:

Watco, Inc.'s records indicate that the Arizona Corporation Commission has these documents on file in relation to the ACC approved Main Extension Agreement; however, I have attached them here for your convenience.

When was the master meter at Shumway replaced?:

April 3, 2012

Please provide the data loss for Shumway during the last three months:

The data loss for the last three months will not provide the information you are seeking. Since the meter was replaced during the first portion of April, April's data is skewed. May is the following: 42,934 gallons pumped and 41,100 gallons billed. June reports will arrive later this month; I can forward the information if you would like.

Was the new booster pump installed in Silver Lake Estates or Bourdon Ranch Estates?:

The invoice submitted for a new pump is not applicable to Silver Lake Estates or Bourdon Ranch Estates. The invoice specifically lists "Shumway Well", which is located in the Canyon Vista Subdivision. Additionally, the pump installed was a submersible well pump, not a booster pump.

What was the approval date of the Show Low Mountain Ranch main extension agreement?:

The approval date according to the letter received from the ACC, which I presume is in the ACC database, is February 2, 2011.

What size is the storage tank at Show Low Mountain Ranch?

The tank is 400,000 gallons according to the engineer; I believe you should be able to find this information in the approved main extension agreement.

Is the WIFA money obtained to be used for fire hydrants and main line change outs?

No, the WIFA money obtained was not to be used for fire hydrants and main line change outs. The discussion was preseneted during the finance process that Watco, Inc. would like to add fire hydrants and change out main lines at a future date; however, the amount being discussed was not sufficient to cover



Thomas Grapp <watercos@gmail.com>

**PWS# 09091 Water Use Data Sheet**

3 messages

A

Thomas Grapp <watercos@gmail.com>

Fri, Jun 29, 2012 at 2:28 PM

To: Katrin Stukov <kstukov@azcc.gov>

Aloha Katrin,

Per your request, attached is the water use data sheet for PWS #09091 covering the months of May and June 2012. Hydrant maintenance and testing was performed during the month of June water use cycle; estimated usage for this activity is 14,000 gallons. Thank you.

Best Regards,

Thomas Grapp

(928) 537-8739  
watercos@gmail.com

**WC 09091 Water Use Data Sheet.pdf**  
483K

B

Katrin Stukov <KStukov@azcc.gov>  
To: Thomas Grapp <watercos@gmail.com>

Mon, Jul 2, 2012 at 11:41 AM

Hello Thomas,

Please clarify the following issues for PWS#09091.

1. Was this water system installed in order to serve two developments: Canyon Vista and Cedar Mesa Ridge?
2. The submitted water use data includes 5 customers. Are all 5 customers located in the Canyon Vista development?

Thank you,

Katrin Stukov

**From:** Thomas Grapp [mailto:watercos@gmail.com]  
**Sent:** Friday, June 29, 2012 2:29 PM  
**To:** Katrin Stukov  
**Subject:** PWS# 09091 Water Use Data Sheet

[Quoted text hidden]

4

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**Thomas Grapp** <watercos@gmail.com>  
To: Katrin Stukov <KStukov@azcc.gov>

A  
Mon, Jul 2, 2012 at 12:04 PM

The answer to both questions is yes. Thank you.

[Quoted text hidden]

4.1



Thomas Grapp <watercos@gmail.com>

**Site visit**

2 messages

A

**Katrin Stukov** <KStukov@azcc.gov>  
To: Thomas Grapp <watercos@gmail.com>

Thu, Jul 12, 2012 at 8:49 AM

Hi Thomas,

Please conform our meeting at 8:00 am tomorrow (7/13) at your office.

Thank you,  
Katrin Stukov

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B

**Thomas Grapp** <watercos@gmail.com>  
To: Katrin Stukov <KStukov@azcc.gov>

Thu, Jul 12, 2012 at 11:23 AM

Aloha Katrina,

Confirmed. I will see you tomorrow. Drive safely. Thank you.

[Quoted text hidden]

5

WATCO, INC.  
PHONE – (800)919-0231 FAX – (928)537-1245 E-MAIL – watercos@gmail.com  
PO BOX 1270 SHOW LOW, AZ 85902

July 13, 2012

RE: Docket No. W-20475A-12-0143  
Joint Request for an Extension of Time

To Whom It May Concern,

With regard to the aforementioned Docket Number and stated document, Watco, Inc. would like to clarify points that were incorrectly stated by the Arizona Corporation Commission. The Joint Request for an Extension of Time reads, "Staff's site visit was originally scheduled for June 26, 2012. On June 25, 2012, the Company contacted Staff and requested postponement of the site visit until the second or third week in July due to schedule conflicts and personal commitments."

According to a phone conversation on June 20, 2012 with Katrin Stukov of the Arizona Corporation Commission, the site visit was scheduled for Wednesday, June 27, 2012. On Friday, June 22, 2012, Watco, Inc. sent an e-mail to Katrin Stukov requesting the site visit be rescheduled. The wording as contained in the e-mail reads, "With regard to the inspection tentatively scheduled for next Wednesday, June 27, 2012, our work schedule is such that we will not be able to accommodate that time. I would like to reschedule for the first or second week of July."

Watco, Inc. believes that correctly stating the timeframe and wording associated with the request to reschedule the site visit is important and should have been incorporated into the Joint Request for an Extension of Time. Attached hereto is a copy of the e-mail requesting that the site inspection be rescheduled. Thank you. Have an excellent day!

Best Regards,



Thomas Grapp



Thomas Grapp <watercos@gmail.com>

**WC Rate Case Response to Site Inspection Questions**

3 messages

**Thomas Grapp** <watercos@gmail.com>  
To: Katrin Stukov <kstukov@azcc.gov>

Fri, Jul 13, 2012 at 4:47 PM

Aloha Katrin,

Attached are the responses to the questions you asked during your site inspection on July 13, 2012.  
Thank you.

--  
Best Regards,

Thomas Grapp

(928) 537-8739  
watercos@gmail.com

**WC RC Response to Site Inspection Questions.pdf**  
1072K

**Katrin Stukov** <KStukov@azcc.gov>  
To: Thomas Grapp <watercos@gmail.com>

Mon, Jul 16, 2012 at 8:03 AM

Hi Thomas,

Thank you for your responses and pictures.

Could you please clarify if the amount of hauled water during the Test Year (55,400 gallons) was already included in gallons sold (15,440,520 gallons) in the Water Use Data for the Bourdon Ranch Estates system?

Have a nice day!

Katrin

**From:** Thomas Grapp [mailto:watercos@gmail.com]  
**Sent:** Friday, July 13, 2012 4:47 PM  
**To:** Katrin Stukov  
**Subject:** WC Rate Case Response to Site Inspection Questions

[Quoted text hidden]

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**Thomas Grapp** <watercos@gmail.com>  
To: Katrin Stukov <KStukov@azcc.gov>

Mon, Jul 16, 2012 at 12:26 PM

Aloha Katrin,

Yes, the hauled water was included in the original water use data sheet. Thank you.

[Quoted text hidden]



Thomas Grapp <watercos@gmail.com>

**Request for information no.1.doc**

3 messages

**Brendan Aladi** <baladi@azcc.gov>  
To: "watercos@gmail.com" <watercos@gmail.com>

Thu, Jul 26, 2012 at 4:05 PM

Thomas,

Please I need your response to the attached list of questions.

Thank You.

Brendan Aladi

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**Request for information no.1.doc**  
24K

**Thomas Grapp** <watercos@gmail.com>  
To: Brendan Aladi <baladi@azcc.gov>

Fri, Jul 27, 2012 at 10:43 AM

Aloha Brendan,

Attached is the response to your request. Thank you.

[Quoted text hidden]

--

Best Regards,

Thomas Grapp

(928) 537-8739  
watercos@gmail.com

**WC RC 2011 Response to Brendan Aladi Data Request 7-27-12.docx**  
16K

**Thomas Grapp** <watercos@gmail.com>  
To: Thomas Grapp <watercos2@gmail.com>

Fri, Jul 27, 2012 at 4:55 PM

[Quoted text hidden]



Thomas Grapp <watercos@gmail.com>

**WATCO Main extension agreement**

2 messages

A

**Brendan Aladi** <baladi@azcc.gov>  
To: "watercos@gmail.com" <watercos@gmail.com>

Fri, Jul 27, 2012 at 4:56 PM

Hi Thomas,

Please explain and reconcile the 2008 main extension agreement per the original application:

Amount reported in the original application \$1,590,487  
Canyon Vista Properties \$756,608  
Cedar Vista Property \$735,689  
\$1,492,297

Please explain and reconcile the balance \$98,190

Is \$58,740 added in 2009 part of Cedar Vista Property main extension agreement?

Brendan Aladi  
Public Utilities Analyst  
Financial Regulatory Analysis Section  
(602) 542-0785

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B

**Thomas Grapp** <watercos@gmail.com>  
To: Brendan Aladi <baladi@azcc.gov>

Sat, Jul 28, 2012 at 10:09 PM

Aloha Brendan,

The information you requested is contained in the original application, was subsequently submitted with a data request and further discussed with Katrin when she performed her inspection. The estimates/invoices applicable to Canyon Vista and Cedar Mesa (with a minor amount applicable to services and meters located elsewhere in Watco, Inc.) total \$1,590,436.52. I compiled the information again and will have the package in the mail on Monday since the file would be too large to e-mail.

With regard to the Tomerlin main extension, the cover letter of the Main Extension Agreement approved by Mr. Bradley Morton of the Arizona Corporation Commission was also included in the original application. I have enclosed the entire approved agreement with the Canyon Vista and Cedar Mesa information package.

Thank you. Have an excellent week!

[Quoted text hidden]

Best Regards,

Thomas Grapp



Thomas Grapp <watercos@gmail.com>

**Additional Data Request for Watco.**

3 messages

**Brendan Aladi** <baladi@azcc.gov>  
To: "watercos@gmail.com" <watercos@gmail.com>

**A**  
Tue, Jul 31, 2012 at 8:21 AM

Hi Thomas,

Please provide a breakdown between the Cedar Mesa Ridge and the Canyon Vista Estate main extension agreements by plant account and year for the calendar years 2006 through 2011. If Staff cannot get the breakdown we will be forced to treat both Advances the same in Staff's adjustments.

Has Watco accepted ownership of Cedar Mesa Ridge property from the developer? If yes, when was the transfer made?

Brendan Aladi  
Public Utilities Analyst  
Financial Regulatory Analysis Section  
(602) 542-0785

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**Thomas Grapp** <watercos@gmail.com>  
To: Brendan Aladi <baladi@azcc.gov>

**B**  
Wed, Aug 1, 2012 at 4:27 AM

Aloha Brendan,

The information mailed to you on Monday has the breakdown you are looking for. After you have reviewed the information, please let me know if you need something different. The Main Extension Agreement was only in 2008. Watco, Inc., according to my understanding, has accepted ownership of the System. I will have to research the date you requested. Thank you. Have a great day!

[Quoted text hidden]

**Thomas Grapp** <watercos@gmail.com>  
To: Brendan Aladi <baladi@azcc.gov>

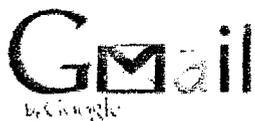
**C**  
Fri, Aug 3, 2012 at 10:07 AM

Aloha Brendan,

Watco, Inc. began operating the system in approximately June of 2008. Thank you.

Best Regards,





Thomas Grapp <watercos@gmail.com>

---

**WC Rate Case W-2's and Unemployment Tax Rate**

1 message

---

**Thomas Grapp** <watercos@gmail.com>

Fri, Aug 3, 2012 at 9:51 AM

To: Brendan Aladi <baladi@azcc.gov>

Aloha Brendan,

Attached are the W-2's and the Unemployment Tax Rate for the Test Year. Four Star Land and Water, Inc. is a payroll Company that receives funds from the Companies owned by Mr. Grapp and subsequently disperses funds to the employees; therefore, the amounts shown on the W-2's is total, total payroll for each of the employees, not just the total payroll from Watco, Inc. for each of the employees. Thank you.

--  
Best Regards,

Thomas Grapp

(928) 537-8739  
watercos@gmail.com

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 **WC RC W-2's and Unemployment Tax.pdf**  
2991K



**COMMISSIONERS**  
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SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS



ERNEST G. JOHNSON  
Executive Director

ARIZONA CORPORATION COMMISSION

A  
August 8, 2012

Mark Grapp  
Watco, Inc.  
P.O. Box 1270  
Show Low, Arizona 85902

Via U.S. Mail and eMail to:  
[watercos@gmail.com](mailto:watercos@gmail.com)

Re: Staff's **Third** Set of Data Requests to Watco, Inc.  
Docket No. W-20475A-12-0143

Dear Mr. Grapp:

Please treat this as Staff's **Third** Set of Data Requests to Watco, Inc., in the above-referenced matter.

For purposes of this data request set, the words "Watco," "Company," "you," and "your" refer to Watco, Inc. and any representative, including every person and/or entity acting with, under the control of, or on behalf of Watco, Inc. 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 (10)** 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) Brendan Aladi, Utilities Division, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007 - [baladi@azcc.gov](mailto:baladi@azcc.gov).
- (2) Brian E. Smith, Attorney, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007 - [besmith@azcc.gov](mailto:besmith@azcc.gov).

Sincerely,

A handwritten signature in cursive script that reads "Brian E. Smith".

Brian E. Smith  
Attorney, Legal Division  
(602) 542-3402

BES:mam  
Enclosure  
cc: Gordon Fox (via email only - [gfox@azcc.gov](mailto:gfox@azcc.gov))



Thomas Grapp <watercos@gmail.com>

**Watco's 3rd set of data requests**

4 messages

**Brendan Aladi** <baladi@azcc.gov>  
To: Thomas Grapp <watercos@gmail.com>

Wed, Aug 15, 2012 at 10:57 AM

Brendan Aladi  
Public Utilities Analyst  
Financial Regulatory Analysis Section  
(602) 542-0785

Hi Thomas,

The attached 3rd. set of data requests was sent to Watco on 8/7/12. I will appreciate your immediate response if you can. Thank you.

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=====

 **Watco, Inc. - DR-3.doc**  
25K

**Thomas Grapp** <watercos@gmail.com>  
To: Brendan Aladi <baladi@azcc.gov>

Wed, Aug 15, 2012 at 11:24 AM

The third set of data requests was prepared on Friday the tenth and instructions were given to mail the request on Monday the thirteenth. Thank you.

[Quoted text hidden]

**Brendan Aladi** <baladi@azcc.gov>  
To: Thomas Grapp <watercos@gmail.com>

Wed, Aug 15, 2012 at 11:44 AM

I know, I was hoping I could get a response sooner. Thanks.

**From:** Thomas Grapp [mailto:watercos@gmail.com]  
**Sent:** Wednesday, August 15, 2012 11:25 AM  
**To:** Brendan Aladi  
**Subject:** Re: Watco's 3rd set of data requests

[Quoted text hidden]

**Thomas Grapp** <watercos@gmail.com>

Wed, Aug 15, 2012 at 12:14 PM

To: Brendan Aladi <baladi@azcc.gov>

The packet was too large to scan and email in an organized and timely manner; therefore, I had the fourteen copies mailed. Have an excellent day!

[Quoted text hidden]



Thomas Grapp <watercos@gmail.com>

**2008 MXA**

3 messages

A

**Brendan Aladi** <baladi@azcc.gov>  
To: Thomas Grapp <watercos@gmail.com>

Fri, Aug 17, 2012 at 5:28 PM

Hi Thomas,

Please provide a cost breakdown between the Cedar Mesa Ridge and the Canyon Vista Estate main extension agreements for the calendar 2008.

<u>2008 MXA</u>	<u>Cedar Mesa Cost</u>	<u>Canyon Vista Cost</u>
\$42,823	\$	\$
\$29,446	\$	\$
\$30,655	\$	\$
\$56,531	\$	\$
\$21,722	\$	\$
\$1,239,329	\$	\$
\$169,437	\$	\$

Also provide the direct labor hours worked by Thomas Grapp and Bryan Mullins for each of the four systems, for test year ended December 31, 2011.

Please call me on Monday if have any questions.

Thank You.

Brendan Aladi  
Public Utilities Analyst  
Financial Regulatory Analysis Section  
(602) 542-0785

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B

**Thomas Grapp** <watercos@gmail.com>  
To: Brendan Aladi <baladi@azcc.gov>

Mon, Aug 20, 2012 at 6:03 PM

Aloha Brendan,

Please see the attached document for an answer to your questions. Thank you. Have a great day!

[Quoted text hidden]

--

Best Regards,

Thomas Grapp

(928) 537-8739  
watercos@gmail.com

Downloaded from the Internet Archive. This document is available for free at [http://www.archive.org/details/WC\\_RC\\_2011\\_Brendan\\_Aladi\\_8-17-12.docx](http://www.archive.org/details/WC_RC_2011_Brendan_Aladi_8-17-12.docx)

 **WC RC 2011 Brendan Aladi 8-17-12.docx**  
16K

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**Brendan Aladi** <baladi@azcc.gov>  
To: Thomas Grapp <watercos@gmail.com>

Tue, Aug 21, 2012 at 8:09 AM

Thank you.

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**From:** Thomas Grapp [mailto:watercos@gmail.com]  
**Sent:** Monday, August 20, 2012 6:03 PM  
**To:** Brendan Aladi  
**Subject:** Re: 2008 MXA

[Quoted text hidden]



Thomas Grapp <watercos@gmail.com>

**Salaries and Wages**

2 messages

A

**Brendan Aladi** <baladi@azcc.gov>  
To: Thomas Grapp <watercos@gmail.com>

Thu, Aug 23, 2012 at 2:50 PM

Hi Thomas,

1. Please explain why Thomas Grapp is getting \$682.57 in direct salaries and wages attributable to Watco and now he is claiming \$39,241.14.
2. How many active customers did Cedar Grove, Vernon Valley and A. Peterson have during the test year (2011).
3. Please provide a copy of General liability insurance policy to support 2011 expenses. Please explain if the policy also covered Cedar Grove Management Company, Watco, Cedar Grove, Vernon Valley and A. Petersen.
- 4 Does Waco own the Vehicle used on operation? If the Vehicle is a personal vehicle, please state if the auto loan payments are included in the transportation cost.

Please call me if you have any questions.

Brendan Aladi  
Public Utilities Analyst  
Financial Regulatory Analysis Section  
(602) 542-0785

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B

**Thomas Grapp** <watercos@gmail.com>  
To: Brendan Aladi <baladi@azcc.gov>

Fri, Aug 24, 2012 at 11:27 AM

Aloha Brendan,

Please see the attached document in response to your questions. Thank you.

[Quoted text hidden]

--  
Best Regards,

Thomas Grapp