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BEFORE THE ARIZONA CORPORATION Arizona Corporation Commission

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COMMISSIONERS

BOB STUMP, Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

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AZ CORP COMMISSION  
DOCKET CONTROL

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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 CO., 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

**STATUS REPORT OF  
SQUIRE MOTOR INNS,  
INCORPORATED**

Squire Motor Inns, Incorporated ("Squire") provides this Status Report as required by the March 29, 2013 Procedural Order in this matter. That Procedural Order directed each party to "by April 26, 2013, file a document providing (1) an update as to the status of the parties' settlement efforts, (2) the individual party's position regarding the best process for going forward and reaching resolution in this matter, and (3) any additional information the party believes to be relevant regarding the current or future state of water service in the affected area." Squire provides a status report on each matter below.

**1. Status Report on Settlement Efforts.**

Some time ago, a number of parties, including Squire, Tusayan Water Development Association, Inc. ("Tusayan"), Hydro-Resources, Inc. ("Hydro") and Anasazi Water Company, LLC ("Anasazi") reached agreement on the concept for a settlement. Under the settlement concept, the Town would receive water service from a single, unified water utility, Hydro. Tusayan would transfer its CC&N to Hydro (or the CC&N would be cancelled, and

1 Hydro issued a new CC&N). In addition, the water utility assets of Anasazi would also be  
2 transferred to Hydro. The Town of Tusayan and the ratepayers would benefit from having a  
3 single water company, which should be able to serve the Town more effectively and also  
4 achieve some economies of scale. Squire supports the settlement concept, and Squire is  
5 prepared to sign the Settlement Agreement.

6 In connection with the Settlement Agreement, Squire is prepared to execute a revised  
7 water sales agreement between Squire and Hydro. The revised agreement will provide Hydro  
8 with long-term access to Squire's well water. The terms of the revised agreement have been  
9 agreed between Squire and Hydro, but the final contract has not yet been finalized.

10 It is Squire's understanding that the delay in finalizing the settlement has been the  
11 result of the need for Hydro and Anasazi to finalize the details of the asset transfer, including  
12 numerous transaction documents (deeds, bills of sale). Squire has not been involved in those  
13 discussions, but Squire believes that Hydro and Anasazi have been working diligently and in  
14 good faith. Based on information provided by Hydro and Anasazi, Squire believes that Hydro  
15 and Anasazi are close to completing the remaining details.

16 **2. Position on best process going forward.**

17 Squire believes that a settlement amount all (or almost all) parties would be in the public  
18 interest and is the best way to resolve this complex matter. Squire suggests that the  
19 Administrative Law Judge set a procedural conference for early June 2013, and direct that each  
20 party be prepared at that time to schedule a firm hearing date. In addition, Squire suggests that the  
21 Administrative Law Judge require that any Settlement Agreement be filed at least one week before  
22 the procedural conference.

23 **3. Additional information.**

24 Squire does not have any additional information at this time.  
25  
26  
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**ROSHKA DEWULF & PATTEN, PLC**  
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RESPECTFULLY SUBMITTED this 26<sup>th</sup> day of April , 2013.

Roshka DeWulf & Patten, PLC

By 

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Original + 13 copies of the foregoing  
filed this 26<sup>th</sup> day of April 2013, with:

Docket Control  
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Copies of the foregoing hand-delivered/mailed  
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