

1 Date: November 13, 2014



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3 To: **Docket Control**
4 **Arizona Corporation Commission**
5 **1200 West Washington St.**
6 **Phoenix, AZ 85007**

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AZ CORP COMMISSION
DOCKET CONTROL

7
8 From: Robert T. Hardcastle
9 Brooke Utilities, Inc.

10 ORIGINAL

11 FOR FILING ORIGINAL AND 13 COPIES INTO:

12 **DOCKET NO. W-03515A-14-0310**

13 IN THE MATTER OF THE APPLICATION OF TONTO BASIN WATER
14 CO., INC., AN ARIZONA CORPORATION, FOR A DETERMINATION
15 OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY
16 AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR
17 UTILITY SERVICE BASED THEREON.

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19 By:

20 Robert T. Hardcastle
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26

Arizona Corporation Commission

DOCKETED

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1 BEFORE THE ARIZONA CORPORATION COMMISSION

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5 Robert T. Hardcastle
6 P.O. Box 82218
7 Bakersfield, CA 93380-2218
8 *Representing Itself In Propria Persona*

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AZ CORP COMMISSION
DOCKET CONTROL

9 COMMISSIONERS

10 Gary Pierce, Chairman
11 Paul Newman, Commissioner
12 Brenda Burns, Commissioner
13 Bob Stump, Commissioner
14 Sandra D. Kennedy, Commissioner

15 IN THE MATTER OF THE APPLICATION) **DOCKET NO. W-03515A-14-0310**
16 OF TONTO BASIN WATER CO., INC.,)
17 AN ARIZONA CORPORATION, FOR A) **BROOKE UTILITIES, INC.'S**
18 DETERMINATION OF THE FAIR VALUE) **REQUEST FOR EXTENSION**
19 OF ITS UTILITY PLANTS AND PROPERTY) **TO FILE SUPPLEMENTAL**
20 AND FOR INCREASES IN ITS WATER) **APPLICATION TO INTERVENE**
21 RATES AND CHARGES FOR UTILITY)
22 SERVICE BASED THEREON)

23
24 Applicant Brooke Utilities, Inc. ("Brooke") filed its Application for Intervention
25 through a Motion to Intervene (the "Application") dated October 13, 2014 with Docket
26 Control of the Arizona Corporation Commission ("Commission"). The Application was
27 Docketed by the Commission on October 20, 2014.

28 On October 28, 2014 Tonto Basin Water Co., Inc. ("Tonto Basin") filed its
29 objection to Brooke's Application.

30 On November 3, 2014 Brooke filed its Response to Tonto Basin's Objections.

31 On November 7, 2014 the Commission's Administrative Law Judge filed a
32 Procedural Order to the Docket requiring Brooke to file any supplemental information to
33 its Application by November 17, 2014.
34
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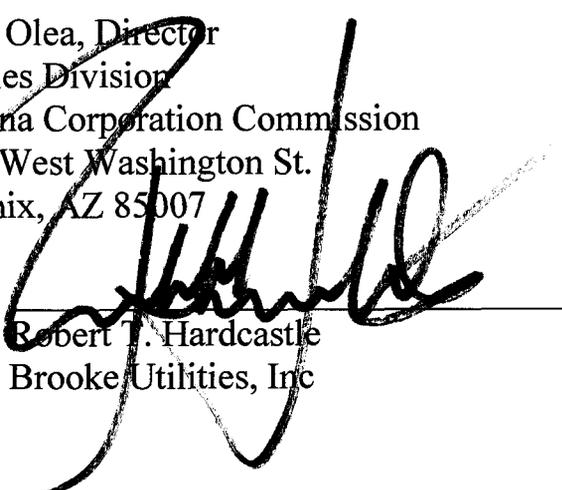
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3 Phoenix, AZ 85007

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6 Fennemore Craig
7 2394 E. Camelback Road, Suite 600
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10 Jason Williamson
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17 Arizona Corporation Commission
18 1200 West Washington St.
19 Phoenix, AZ 85007

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21 Steve Olea, Director
22 Utilities Division
23 Arizona Corporation Commission
24 1200 West Washington St.
25 Phoenix, AZ 85007

26
27 By: 
28 Robert T. Hardcastle
29 Brooke Utilities, Inc

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31

EXHIBIT I

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

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NOV 13 2014
BROOKE UTILITIES

IN THE MATTER OF THE APPLICATION OF
TONGO BASIN WATER CO., INC. FOR
APPROVAL OF AN ADJUSTMENT IN THE
EXISTING RATES CHARGED BY THE
COMPANY.

DOCKET NO. W-03515A-14-0310

RATE CASE PROCEDURAL ORDER

BY THE COMMISSION:

On August 21, 2014, Tonto Basin Water Company, Inc. ("Tonto Basin" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase based on a test year ended June 30, 2014.

On August 26, 2014 and September 10, 2014, Tonto Basin filed supplements to its rate application.

On September 22, 2014, the Commission's Utilities Division ("Staff") filed a Letter of Deficiency.

On October 7, 2014, Tonto Basin filed an additional supplement to its rate application.

On October 10, 2014, Staff filed a Letter of Sufficiency indicating that the Company's application met the sufficiency requirements of Arizona Administrative Code ("A.A.C.") R14-2-103, and classifying Tonto Basin as a Class C Utility.

On October 20, 2014, Brooke Utilities Inc. ("Brooke") filed an Application for Intervention. Brooke claims that it has a direct and substantial interest in this rate proceeding because it is a party to a transactional agreement with Tonto Basin's parent JW Water Holdings, LLC.¹ Brooke asserts that Tonto Basin's filing of this rate application does not comply with the terms of a May 31, 2013, agreement between JW Water Holdings, LLC and Brooke. Brooke contends that Tonto Basin's rate

¹ Tonto Basin's rate case application indicates that JW Water Holdings, LLC purchased Tonto Basin from Brooke on June 1, 2013, and that JW Water Holdings, LLC owns 100 percent of the shares of Tonto Basin.

1 application "may affect that Agreement" and that "the possible implications of this rate application to
2 Brooke places this Application at unknown risk."

3 On October 28, 2014, Tonto Basin filed its Opposition to Brooke's Application for
4 Intervention. Tonto Basin states that the May 31, 2013 agreement Brooke refers to in the Application
5 to Intervene is a Stock Purchase Agreement entered into by and among Brooke, Tonto Basin, Navajo
6 Water Co., Inc., Payson Water Co., Inc., and JW Water Holdings, LLC. Tonto Basin asserts that the
7 purpose of its rate application is to determine the fair value of its property and to set rates, and that
8 the May 31, 2013 Stock Purchase Agreement between Tonto Basin and Brooke is not at issue in this
9 rate proceeding, and is beyond the scope of this rate proceeding. Tonto Basin contends that Brooke
10 lacks any real interest in this proceeding, and that allowing Brooke to intervene would unduly
11 broaden and delay this rate case proceeding. Tonto Basin requests that Brooke's Application to
12 Intervene be denied.

13 On November 3, 2014, Brooke filed its Response to Tonto Basin's Opposition. Brooke
14 reiterates its claim that Tonto Basin's rate filing contravenes the terms of the May 31, 2013 Stock
15 Purchase Agreement, and claims that Tonto Basin made the rate case filing with knowledge of
16 Brooke's objection to the test year ending June 30, 2014. Brooke contends that its intervention
17 request "should be approved in order for it to determine the extent of the impact of JW Water's
18 failure to abide by the terms and conditions of the Agreement related to a properly negotiated test
19 year," and states that "in some sense a replacement application that conforms to the requirements of
20 the Agreement is not unreasonable." Brooke argues that it should be granted intervention "in order
21 for it to determine the extent of the impact" of the test year Tonto Basin used in its rate case filing,
22 and states that if it is not granted intervention in this rate proceeding, Brooke may proceed "in a
23 manner that best protects its interests."

24 The Commission's Rules of Practice and Procedure provide that persons who are directly and
25 substantially affected by Commission proceedings must secure an order from the Commission or
26 presiding officer granting leave to intervene before being allowed to participate, and that no
27 application for leave to intervene shall be granted where by so doing the issues theretofore presented
28

ARIZONA CORPORATION COMMISSION

HEARING DIVISION
1200 W. WASHINGTON
PHOENIX, AZ 85007

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