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BEFORE THE ARIZONA CORPORATION COMMISSION

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- 1 SUSAN BITTER SMITH  
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- 2
- 3 BOB STUMP  
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- 4 BOB BURNS  
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- 5 DOUG LITTLE  
COMMISSIONER
- 6 TOM FORESE  
COMMISSIONER
- 7

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AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

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DOCKETED BY

8 IN THE MATTER OF THE APPLICATION OF  
 9 UTILITY SOURCE, LLC, AN ARIZONA  
 10 CORPORATION, FOR A DETERMINATION  
 11 OF THE FAIR VALUE OF ITS UTILITY  
 PLANTS AND PROPERTY AND FOR  
 INCREASES IN ITS WATER AND  
 WASTEWATER RATES AND CHARGES  
 FOR UTILITY SERVICE BASED THEREON.

Docket No. WS-04235A-13-0331

ORIGINAL

MOTION TO COMPEL

The Residential Utility Consumer Office ("RUCO") hereby brings this motion to compel Utility Source ("Company") to respond to RUCO's Data Request Number 2.01.

On October 22, 2014, RUCO served Utilities Source with its second set of data requests. Data Request No. 2.01 sought information about the Company's stand-pipe, which the Company has been less than forthcoming. Specifically, Data Request No. 2.01 requested that the Company:

Please provide RUCO, with the sales activity from September 1, 2014  
 to October 22, 2014, and at the end of each month starting with  
 October and continuing until the date of the open meeting.

(A Copy of the Data Request is attached hereto as Exhibit A). The stand-pipe issue is a significant issue and RUCO needs this information as part of its analysis. To date, RUCO has

1 not received any information regarding the sales activity for the months of October forward.  
2 RUCO has been unsuccessful in its requests to receive this information and therefore asks that  
3 the Company be compelled to produce the information. RUCO is not seeking a change in the  
4 current procedural schedule but is placing the Company on notice such a request may be  
5 made if the Company continues to be uncooperative with discovery.

6 RESPECTFULLY SUBMITTED this 9<sup>th</sup> day of January, 2015.

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8   
9 Daniel W. Pozefsky  
10 Chief Counsel

11 AN ORIGINAL AND THIRTEEN COPIES  
12 of the foregoing filed this 9th day  
13 of January, 2015 with:

13 Docket Control  
14 Arizona Corporation Commission  
15 1200 West Washington  
16 Phoenix, Arizona 85007

17 COPIES of the foregoing hand delivered/  
18 mailed this 9<sup>th</sup> day of January, 2015 to:

17 Sarah Harpring  
18 Administrative Law Judge  
19 Hearing Division  
20 Arizona Corporation Commission  
21 1200 West Washington  
22 Phoenix, Arizona 85007

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5 By Cheryl Fraulob  
Cheryl Fraulob

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**EXHIBIT A**

UTILITY SOURCE, LLC

Docket No. WS-04235A-13-0331

Rate Application

RUCO's Second Set Of Data Requests

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2.01 Standpipe – This a follow-up to Staff data request 6.6 and 6.7, in which Staff asked the following:

JKL 6.6 Opening Date of Standpipe – Please provide the date that the Company believes, or plans, to have this standpipe available to serve the public?

JKL 6.7 Monthly Standpipe Sales Activity – Please provide the standpipe sales activity to Staff via email for each month from the month the standpipe is open to the public until the date of the open meeting related to the Commission's approval of the Company's request in Docket No. 13-0331.

The Company made the following responses in order.

Response: September 1, 2014.

Response: No response required at this time.

Please provide RUCO, with the sales activity from September 1, 2014 to October 22, 2014, and at the end of each month starting with October and continuing until the date of the open meeting.

2.02 Outside Services/Employees – Please provide the following information about Mary Ann Parry, Gary Bluechek, Lonnie McCleve, and Jeremy McCaleb:

- a. List the number of Companies regulated and non-regulated that each individual provides services or works for?
- b. For other Companies these individuals provide services to, list their job duties.
- c. If the Companies are affiliated please provide the tax returns for these employees for the last three years. The term affiliate as defined by the Arizona Corporation Commission with respect to the public utility, "shall mean any other entity directly or indirectly controlling or controlled by, or under direct or indirect common control with, the public utility. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any entity, shall mean the power to direct the management policies of such entity, whether through ownership of voting securities, or by contract, or otherwise."

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- d. If affiliated, please provide an organizational chart for a. above.
- e. If affiliated, please provide timesheets for each individual.
- f. If no time sheets are available in e. please specify the time allocated per week, month, and year for each Company.

2.03 Disallowed Plant pertaining to the last rate case – Is the Company asking for recovery of any plant that was disallowed in the last rate case. If so, please specify the NARUC account number, year placed into service and amount, and why recovery is appropriate at this time.

2.04 Shallow Wells – In reference to the Staff Engineering Report, on page 2. The following statement was made:

“The water system currently has four (4) inactive wells identified as Shallow Wells No. 1, 3, 4, & 5. The four (4) inactive wells have not been operational for several years. The plumbing and electrical connections on each well have been disconnected.”

In regards to this reference please answer the following:

- a. Please state the date that each of the (4) shallow wells was placed into service.
- b. The date that each of the (4) shallow wells was taken out of service.
- c. The total cost for each of the (4) shallow wells.
- d. The funding source (e.g. debt, equity, AIAC, or CIAC).
- e. If AIAC or CIAC was used in d. above please provide the appropriate documentation (e.g. main extension agreements).
- f. Has the Company asked for recovery of these Shallow wells in the current rate case?

2.05 Sludge Holding Tanks – In reference to the Staff Engineering Report, on page 5. The following statement was made:

“The third sludge holding tank is the inactive single batch treatment plant which has a capacity of approximately 37,500 gallons.”

In regards to this reference please answer the following:

- a. Please state the date that the sludge holding tank was placed into service.
- b. The date that the sludge holding tank was taken out of service.
- c. The total cost for sludge holding tank.

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- d. The funding source (e.g. debt, equity, AIAC, or CIAC).
  - e. If AIAC or CIAC was used in d. above please provide the appropriate documentation (e.g. main extension agreements).
  - f. Has the Company asked for recovery of the sludge holding tank in the current rate case?
- 2.06 Power Cost – In reference to page 13, of the surrebuttal testimony of Intervenor Erik Nielsen, please answer the following:
- a. Is the cumulative \$12,040 in SRP bills related to personal home use, as indicated by Mr. Nielsen?
  - b. If the Company is not asking for recover of deep well number 4, why is the Company asking for the electricity associated with deep well number 4?
- 2.07 Wells – In reference to page 13, of the surrebuttal testimony of Intervenor Erik Nielsen, please answer the following:
- a. Mr. Nielsen indicates some of the wells are not owned by the Company, is this true? If so which wells and other plant items used to run the water and wastewater systems are not owned by the Company.
  - b. For those plant items identified in a. above, please provide the cost, and the year the plant was placed into service. The funding source (e.g. debt, equity, AIAC, or CIAC). If AIAC or CIAC was used, please provide the appropriate documentation (e.g. main extension agreements).
  - c. For those plant items identified in a. above is the Company seeking recovery of these plant items in the current rate case?
  - d. For those items identified in a. above please provide a copy of a lease or other type of legal agreement?
  - e. For those plant items identified in d. above, in the lease agreement is there a clause that requires the Company to pay the cost of electricity to run the wells?
  - f. If yes to c. above is the Company also trying to recover costs through any type of leases?
- 2.08 CIAC – In reference to page 15, of the surrebuttal testimony of Intervenor Erik Nielsen, please answer the following:
- a. Were the Fire Hydrant costs of \$34,500 already contributed by Greenfield Land Development? If no or the Company has a different number, please explain?

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- b. Were 45 percent or \$73,252 of 8 inch water pipes already contributed by Empire? If no, or the Company has a different number, please explain?
- c. Were 42 percent or \$109,206 of 8 inch sewer pipes already contributed by Empire? If no, or the Company has a different number, please explain?
- d. Has the Company included these plant items in rate base as Company funded plant items? Is the Company seeking a return on these items in the current case?
- e. For those plant items identified in a. through c. above, please provide the year the plant was placed into service.