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1 Date: September 8, 2015

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3 To: **Docket Control**

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**Arizona Corporation Commission**

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**1200 West Washington St.**

2015 SEP 14 A 11: 32

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**Phoenix, AZ 85007**

AZ CORP COMMISSION  
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8 From: Robert T. Hardcastle  
9 Circle City Water Co LLC

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12 FOR FILING ORIGINAL AND 13 COPIES INTO:

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**DOCKET NO. W-03510A-13-0397**

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By:

Robert T. Hardcastle

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Arizona Corporation Commission  
**DOCKETED**

SEP 14 2015

DOCKETED BY

BEFORE THE ARIZONA CORPORATION COMMISSION

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2  
3 Robert T. Hardcastle  
4 Circle City Water Company, LLC  
5 P.O. Box 82218  
6 Bakersfield, CA 93380-2218  
7 *Representing Itself In Propria Persona*  
8

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9 COMMISSIONERS

10 Susan Bitter Smith, Chairman  
11 Bob Burns, Commissioner  
12 Doug Little, Commissioner  
13 Bob Stump, Commissioner  
14 Tom Forese, Commissioner  
15

16 IN THE MATTER OF THE )  
17 APPLICATION OF CIRCLE CITY )  
18 WATER COMPANY, LLC FOR )  
19 DELETION OF A PORTION OF ITS )  
20 EXISTING CERTIFICATE OF )  
21 CONVENIENCE AND )  
22 NECESSITY FOR WATER SERVICE )  
23 \_\_\_\_\_ )  
24

Docket No. W-03510A-13-0397

**CIRCLE CITY WATER  
COMPANY LLC's NOTICE OF  
FILING SECOND  
SUPPLEMENTAL REVISED  
DIRECT TESTIMONY**

25 Circle City Water Company LLC ("Circle City") hereby files its Second  
26 Supplemental Direct Testimony (Revised) of Robert T. Hardcastle, Managing Member,  
27 of Circle City. Circle City discovered unintentional errors on the original Exhibit 10 that  
28 have been corrected by this filing.<sup>1</sup>  
29

30 RESPECTFULLY SUBMITTED this 10th day of September 2015.

31 Circle City Water Company, LLC

32  
33 By: \_\_\_\_\_

34 Robert T. Hardcastle

<sup>1</sup> It should be noted errors related to the original Exhibit 10 filing were NOT in favor of Circle City and have been substantiated by CAP invoices in response to Staff's THIRD Set of Data Requests.  
Docket No. W-03510A-13-0397

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ORIGINAL and 13 copies filed  
this 10/17 day of September 2015, with:

**Docket Control**  
**Arizona Corporation Commission**  
**1200 West Washington St.**  
**Phoenix, AZ 85007**

And copies mailed to the following:

Yvette B. Kinsey, Administrative Law Judge  
HEARING DIVISION  
Arizona Corporation Commission  
1200 West Washington St.  
Phoenix, AZ 85007

Dwight Nodes  
HEARING DIVISION  
Arizona Corporation Commission  
1200 West Washington St.  
Phoenix, AZ 85007

Janice Alward  
Chief, Legal Division  
Arizona Corporation Commission  
1200 West Washington St.  
Phoenix, AZ 85007

Thomas Broderick  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington St.  
Phoenix, AZ 85007

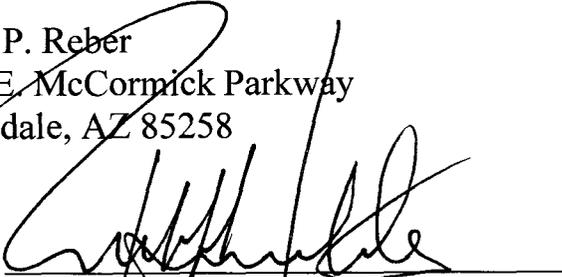
Robin Mitchell  
Legal Division  
Arizona Corporation Commission

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2 Phoenix, AZ 85007

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15 7501 E. McCormick Parkway  
16 Scottsdale, AZ 85258

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18  
19 By:   
20 Robert T. Hardcastle  
21 Circle City Water Company, LLC

# **EXHIBIT 10**

**(Revised)**

- 1. Includes revised CAP payment schedule**
- 2. Includes revised page 6 of the Direct  
Testimony of Robert T. Hardcastle**

Circle City Water Company LLC

## ***CAP Payments 2005-2015***

10-Sep-15

<u>Payment Date</u>	<u>Reference</u>	<u>Payment Amount</u>
19-Nov-04	23349	\$55,048.00
11-May-05	26819	\$55,048.00
25-Oct-05	31126	\$47,184.00
2-May-06	36262	\$47,184.00
11-May-06	23228	\$43,605.00
19-Oct-07	23810	\$41,286.00
26-Oct-07	23832	\$41,286.00
1-May-08	24511	\$1,690.00
9-May-08	24534	\$41,286.00
2-Dec-08	25411	\$53,118.00
6-Feb-09	25676	\$61.98
15-May-09	26017	\$36,837.00
12-Nov-09	26533	\$29,490.00
20-May-10	26922	\$29,490.00
2-Dec-10	EFT524	\$29,490.00
19-May-11	EFT835	\$29,490.00
12-Apr-12	EFT1298	\$29,490.00
17-May-12	EFT1347	\$29,490.00
15-Nov-12	EFT1686	\$29,490.00
16-May-13	EFT137	\$29,490.00
21-Nov-13	EFT367	\$39,320.00
15-May-14	EFT496	\$39,320.00
13-Nov-14	EFT611	\$43,252.00
21-May-15	EFT732	\$43,252.00
<i>Total</i>		<u>\$864,697.98</u>

**Q8: What have been CCWCo's operating losses during the period since Decision No. 68246 has been issued?**

A8: CCWCo has lost approximately \$1,026,000 since the Decision has been issued.

**Q9: What extraordinary expenses have been incurred by CCWCo during this period in support of the Project?**

A9: In order to support the Project with the anticipated use of Central Arizona Project ("CAP") water from the Central Arizona Water Conservation District ("CAWCD"), CCWCo has expended approximately \$865,000 since 2005<sup>2</sup>. For a small utility with \$63,000 in annual revenues such a burden is insurmountable.

**Q10: How has CCWCo been able to afford to make such payment to CAWCD?**

A10: Through annual borrowings from CCWCo's parent companies and equity partner advances. Without these sources of capital it would have been impossible for CCWCo to make such payments.

**Q11: Are capital advances available to CCWCo in the future?**

A11: It is not likely. The partners related to Brooke, Brooke Resources, LLC and CCWCo are tired of advancing funds for a water source for a Project that Harvard can't even tell us whether or not it's going to be built.

**Q12: Has Harvard offered to pay for or reimburse CCWCo for CAP water supply costs related to the Project?**

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<sup>2</sup> See Exhibit 10, Second Supplemental Direct Testimony (Revised) of Robert T. Hardcastle