

BEFORE THE PUBLIC UTILITIES COMMISSION
STATE OF COLORADO

Proceeding No. 23A-0128W

IN THE MATTER OF APPLICATION OF PAPASON LLC D/B/A BAXTER WATER AND SERVICES FOR AUTHORITY TO TRANSFER ALL ASSETS, CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY, AND ACCOMPANYING WATER AND WELL RIGHTS FROM GREENWELL ENERGY, INC. A/K/A GREENWELL LLC A/K/A OCTAL RESOURCES, INC. D/B/A ONEAL WATER A/K/A ONEAL WATER TO PAPASON LLC D/B/A BAXTER WATER AND SERVICES.

UNANIMOUS COMPREHENSIVE SETTLEMENT AGREEMENT

INTRODUCTION AND IDENTIFICATION OF PARTIES

This Unanimous Comprehensive Settlement Agreement (“Settlement Agreement” or “Agreement”) is filed on behalf of Papason LLC d/b/a Baxter Water and Services. (“Baxter” or the “Company”) and Trial Staff (“Staff”) of the Colorado Public Utilities Commission (“PUC” or “Commission”) (each a “Settling Party” and collectively the “Settling Parties”). There are no parties in this proceeding outside of the Settling Parties.

This Settlement Agreement is intended to resolve all issues (the “Settled Issues”) raised by the Settling Parties in this Proceeding with respect to the Company’s March 16, 2023, Application requesting the Commission approve the transfer of all assets, the Certificate of Public Convenience and Necessity (“CPCN”),

and accompanying water and well rights from Greenwell Energy Inc. to Baxter (the “Application”).

SETTLEMENT AGREEMENT

The following terms comprise the Settlement Agreement reached by the Settling Parties.

I. Attestation

The Settling Parties agree that anyone with an ownership interest, including but not limited to Robert Jardon and Brandon Jardon, must sign and attest with an affidavit indicating they have read and understood the Commission Rules and obligations of operating a regulated water utility. It is the obligation of Baxter to comply with Commission Rules including any future updates to those rules. This obligation includes the filing of annual water reports in the appropriate PUC proceeding.

II. Annual Customer Notice

To properly inform Baxter's existing customers of this proceeding and to ensure that new and existing customers continue to receive relevant information on an ongoing basis, Baxter shall mail yearly customer notices. Such notice shall include the following:

1. Contact information for Baxter (address and phone number);
2. Contact information for the Commission (with explanation of PUC's oversight of billing, service reliability and disconnection issues);
3. Contact information for the Colorado Department of Public Health and Environment ("CDPHE");
4. A reference to the PUC water rules (<https://puc.colorado.gov/waterrules>);
5. Terms and conditions under which the utility may shut off service to a customer;

6. Other terms and conditions of billing (such as billing cycles, bill due date, late payment fees);
7. A brief description of service expectations; and
8. Customer comment cards that can be returned to Baxter for customers to provide feedback regarding services provided.

III. Quarterly Reporting

Baxter shall file quarterly reports with the PUC, into this CPCN proceeding, for the first 3 years of operation immediately following Commission approval of this CPCN. Baxter shall include the following information in each quarterly filing:

1. Number of customers served;
2. Type of services provided, including estimated revenues from any non-standard services (e.g., bottled water delivery, tank refill, etc.);
3. Number of shutoffs performed in the preceding quarter;
4. Reasons for any shut off in the preceding quarter;
5. A list of complaints received during the preceding quarter, including the nature of each complaint, the status of resolution, and brief summary of the resolution terms;
6. Revenue received during the quarter;
7. A description of capital improvements made and estimated costs;
8. A description of repairs performed and estimated costs;
9. A description of participation in professional organizations; and
10. List of any training or professional development activities completed during the preceding quarter.

IV. Future Rate Case

The Settling Parties agree to the following terms for Baxter's next rate case:

1. Baxter is precluded from filing a rate case before January 1, 2024, one year after the transfer of ownership occurred.

2. Staff acknowledges Baxter may seek interim rates in the near future. In the present proceeding, Staff takes no position on this forthcoming filing and reserves the right to evaluate and provide recommendations as may be necessary.

GENERAL PROVISIONS

1. Except as expressly set forth herein, nothing in this Settlement Agreement is intended to have precedential effect or bind the Settling Parties with respect to positions they may take in any other proceeding regarding any of the issues addressed in this Settlement Agreement. No Settling Party concedes the validity or correctness of any regulatory principle or methodology directly or indirectly incorporated in this Settlement Agreement. Furthermore, this Settlement Agreement does not constitute agreement, by any Settling Party, that any principle or methodology contained within or used to reach this Settlement Agreement may be applied to any situation other than the above-captioned proceeding, except as expressly set forth herein.

2. The Settling Parties agree the provisions of this Settlement Agreement, as well as the negotiation process undertaken to reach this Settlement Agreement, are just, reasonable, and consistent with and not contrary to the public interest and should be approved and authorized by the Commission.

3. The discussions among the Settling Parties that produced this Settlement Agreement have been conducted in accordance with Rule 408 of the Colorado Rules of Evidence.

4. Nothing in this Settlement Agreement shall constitute a waiver by any Settling Party with respect to any matter not specifically addressed in this Settlement Agreement.

5. The Settling Parties agree to support, or not oppose, all aspects of the Settlement Agreement embodied in this document in any hearing conducted to determine whether the Commission should approve this Settlement Agreement, and/or in any other hearing, proceeding, or judicial review relating to this Settlement Agreement or the implementation or enforcement of its terms and conditions. Each Settling Party also agrees that, except as expressly provided in this Settlement Agreement, it will take no formal action in any administrative or judicial proceeding that would have the effect, directly or indirectly, of contravening the provisions or purposes of this Settlement Agreement. However, except as expressly provided herein, each Settling Party expressly reserves the right to advocate positions different from those stated in this Settlement Agreement in any proceeding other than one necessary to obtain approval of, or to implement or enforce, this Settlement Agreement or its terms and conditions.

6. The Settling Parties do not believe any waiver or variance of Commission rules is required to effectuate this Settlement Agreement but agree jointly to apply to the Commission for a waiver of compliance with any requirements of the Commission's Rules and Regulations, if necessary, to permit all provisions of this Settlement Agreement to be approved, carried out, and effectuated.

7. This Settlement Agreement is an integrated agreement that may not be altered by the unilateral determination of any Settling Party. There are no terms, representations or agreements among the parties which are not set forth in this Settlement Agreement.

8. This Settlement Agreement shall not become effective until the Commission issues a final decision addressing the Settlement Agreement. In the event the Commission modifies this Settlement Agreement in a manner unacceptable to any Settling Party, that Settling Party may withdraw from the Settlement Agreement and shall so notify the Commission and the other Settling Parties in writing within ten (10) days of the date of the Commission order. In the event a Settling Party exercises its right to withdraw from the Settlement Agreement, this Settlement Agreement shall be null and void and of no effect in this or any other proceeding.

9. There shall be no legal presumption that any specific Settling Party was the drafter of this Settlement Agreement.

10. This Settlement Agreement may be executed in counterparts, all of which when taken together shall constitute the entire Agreement with respect to the issues addressed by this Settlement Agreement. This Settlement Agreement may be executed and delivered electronically and the Settling Parties agree that such electronic execution and delivery, whether executed in counterparts or collectively, shall have the same force and effect as delivery of an original document with original signatures, and that each Settling Party may use such facsimile signatures as

evidence of the execution and delivery of this Settlement Agreement by the Settling Parties to the same extent that an original signature could be used.

Dated this 11th day of August 2023.

Agreed on behalf of:

Baxter Water and Services

By:  _____
Robert H. Jardon (Aug 10, 2023 12:33 EDT)

Robert Jardon, Owner
Brandon Jardon, Owner
Papason LLC d/b/a Baxter Water and
Services

Approved as to form:

Sherman & Howard, L.L.C.

By:  _____
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Agreed on behalf of:

Trial Staff of the Colorado Public Utilities Commission

Approved as to form:

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By: /s/ Chris Duncan
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