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BEFORE THE ARIZONA CORPORATION COMMISSION

2005 MAR 23 P 4: 28

COMMISSIONERS

JEFF HATCH-MILLER, Chairman  
MARC SPITZER  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF  
ARIZONA WATER COMPANY, AN ARIZONA  
CORPORATION, TO EXTEND ITS EXISTING  
CERTIFICATES OF CONVENIENCE AND  
NECESSITY AT CASA GRANDE AND  
COOLIDGE, PINAL COUNTY, ARIZONA

DOCKET NO. W-01445A-04-0755

IN THE MATTER OF THE APPLICATION OF  
WOODRUFF WATER COMPANY, INC. FOR A  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE WATER SERVICE

DOCKET NO. W-04264A-04-0438

IN THE MATTER OF THE APPLICATION OF  
WOODRUFF UTILITY COMPANY, INC. FOR A  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE SWER SERVICE

DOCKET NO. SW-04265A-04-0439

**WOODRUFF WATER COMPANY, INC.'S AND  
WOODRUFF UTILITY COMPANY, INC.'S COMMENTS TO STAFF REPORT**

Woodruff Water Company, Inc., ("Woodruff Water") and Woodruff Utility Company, Inc., ("Woodruff Sewer") (collectively referred to as the "Woodruff Companies") hereby file their comments to the Utilities Division Staff Report issued March 3, 2005, in the above-captioned docket. The Woodruff Companies fully support the Staff recommendation that the Arizona Corporation Commission approve the Applications for Certificates of Convenience and Necessity ("Application") filed by the Woodruff Companies. Further, the Woodruff Companies affirm that each will fully comply with all conditions recommended in the Staff Report pertaining to the Woodruff Companies. The purpose of these comments is to clarify certain facts related to

Arizona Corporation Commission

DOCKETED

MAR 23 2005

DOCKETED BY

Snell & Wilmer

LLP

LAW OFFICES  
One Arizona Center, 400 E. Van Buren  
Phoenix, Arizona 85004-2202  
(602) 382-6000

1 one condition set forth in the Staff Report, and to update the record regarding the current director  
2 of the Woodruff Companies.

3 First, related to the application for a wastewater CC&N, Staff recommended in its  
4 condition no. 9 that “the Commission deny Woodruff Utility Company, Inc.’s, request for  
5 Hookup Fees” (“Wastewater Condition No. 9”). The Woodruff Companies presume that  
6 Wastewater Condition No. 9 addresses the service establishment fees contained in the proposed  
7 Woodruff Sewer tariff. In its proposed tariff, Woodruff Water included an “Establishment of  
8 Service” charge of \$30 and “Establishment of Service, after hours” charge of \$50.00. The  
9 Woodruff Sewer tariff also included an “Establishment of Service” charge of \$30.00, and  
10 “Establishment of Service, after hours” charge of \$50.00. While these service establishment fees  
11 were included in both tariffs, it was the intent of the Woodruff Companies that the service  
12 establishment fee be charged only once when a customer is connecting to both water and sewer  
13 service. The establishment fees were included in the sewer tariff to address the unusual  
14 circumstance where a customer has only requested sewer service (for example, where a customer  
15 has his or her own well). Thus, Woodruff Sewer would propose to amend its tariff to require that  
16 a customer pay the service establishment fee only where the customer has not already paid a  
17 service establishment fee to Woodruff Water for water service.

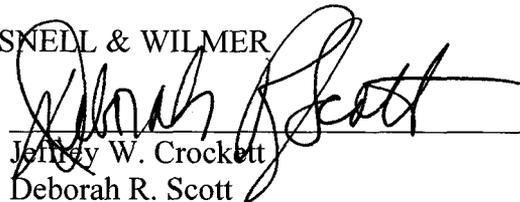
18 Second, the Woodruff Companies wish to update the record regarding the current sole  
19 director of the Woodruff Companies. Karl Polen was listed as the sole director of Woodruff  
20 Water and Woodruff Sewer in the Articles of Incorporation filed with the Application. However,  
21 as of April 26, 2004, F. Francis Najafi was elected as sole director of each company in an Action  
22 by Consent in Writing as and for a Special Meeting of the Sole Shareholder of Woodruff Water  
23  
24  
25  
26

1 and Woodruff Sewer. Copies of the documents evidencing this change are attached as Exhibit A.  
2 This change will also be reflected in the next annual report filed with the Corporations Division  
3 of the Commission. Mr. Polen, who has extensive experience with water resource and  
4 environmental matters, will manage each of the Woodruff Companies.  
5

6 As Staff has pointed out in the Staff Report, Woodruff Water and Woodruff Sewer have  
7 received requests for service in the planned Sandia development while Arizona Water Company  
8 has not. Moreover, while Arizona Water Company is seeking approval to offer water service  
9 within the Sandia development, Arizona Water Company does not provide wastewater service.  
10 The Woodruff Companies, as a unified water service and sewer service provider, can provide  
11 both of these essential utility services to the residents of the Sandia development. Further, as the  
12 provider of water and sewer service, the Woodruff Companies are better able to comply with  
13 groundwater management requirements through the use of reclaimed water for turf facilities and  
14 recharge of the aquifer. Approval of the Woodruff Companies' Application for a CC&N will  
15 benefit future customers in the Sandia development and serve the public interest. Thus, the  
16 Woodruff Companies urge the Commission to adopt Staff's recommendations with the minor  
17 modification regarding service establishment fees discussed above.  
18

19 RESPECTFULLY submitted this 23rd day of March, 2005.  
20

21 SNELL & WILMER



22 Jeffrey W. Crockett

23 Deborah R. Scott

24 One Arizona Center

25 400 East Van Buren

26 Phoenix, Arizona 85004-2202

Attorneys for Woodruff Water Company, Inc., and Woodruff  
Utility Company, Inc.

1 The ORIGINAL and seventeen (17) copies  
2 of the foregoing were filed this 23rd day  
of March 2005.

3 Docket Control  
4 Arizona Corporation Commission  
1200 West Washington Street  
5 Phoenix, Arizona 85007

6 A COPY of the foregoing was hand-delivered  
7 this 23<sup>rd</sup> day of March, 2005, to:

8 Lyn Farmer  
9 Chief Administrative Law Judge  
Hearing Division  
10 ARIZONA CORPORATION COMMISSION  
1200 West Washington  
11 Phoenix, Arizona 85007

12 James Fisher  
13 Utilities Division  
ARIZONA CORPORATION COMMISSION  
14 1200 West Washington  
Phoenix, Arizona 85007

15 A COPY of the foregoing was mailed  
16 this 23rd day of March, 2005, to:

17 Christopher C. Kempley, Chief Counsel  
18 Legal Division  
ARIZONA CORPORATION COMMISSION  
19 1200 West Washington Street  
Phoenix, Arizona 85007

20 Ernest G. Johnson, Director  
21 Utilities Division  
22 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
23 Phoenix, Arizona 85007

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Attorney, Legal Division  
21 Arizona Corporation Commission  
1200 West Washington Street  
22 Phoenix, AZ 85007

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24 

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# **EXHIBIT A**

**ACTION BY CONSENT IN WRITING  
AS AND FOR A SPECIAL MEETING OF  
THE SOLE SHAREHOLDER OF  
WOODRUFF WATER COMPANY**

**Effective as of April 26, 2004**

The undersigned, constituting the sole shareholder of Woodruff Water Company, an Arizona corporation (the "Corporation"), by consent in writing pursuant to the authority contained in Section 10-704 of the Arizona Business Corporation Act, without the formality of convening a meeting, does hereby adopt and approve the following actions of the Corporation:

RESOLVED, that F. Francis Najafi be, and he hereby is, elected director of the Corporation, to hold his directorship until his successors are duly elected and shall have qualified or until his earlier resignation or removal.

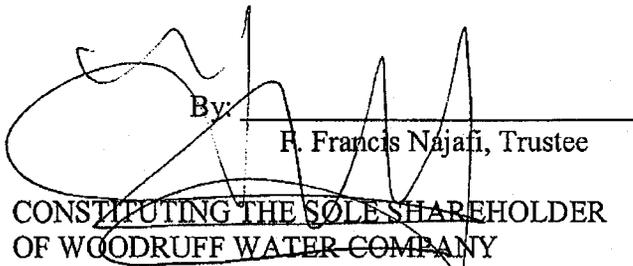
PIVOTAL SANDIA, L.L.C.,  
an Arizona limited liability company

By: Pivotal Group X, L.L.C.,  
an Arizona limited liability company

Its: Managing Member

By: F. Francis Najafi; as Trustee of the  
F. Francis Najafi Family Trust

Its: Administrative Member

By:   
F. Francis Najafi, Trustee  
~~CONSTITUTING THE SOLE SHAREHOLDER  
OF WOODRUFF WATER COMPANY~~

RESIGNATION

I hereby notify the shareholders of Woodruff Water Company (the "Corporation") of my resignation as director of the Corporation, effective immediately.

Date: April 26, 2004

  
\_\_\_\_\_  
Karl Polen

**ACTION BY CONSENT IN WRITING  
AS AND FOR A SPECIAL MEETING OF  
THE SOLE SHAREHOLDER OF  
WOODRUFF UTILITY COMPANY**

**Effective as of April 26, 2004**

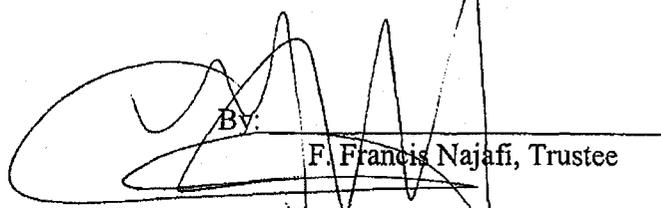
The undersigned, constituting the sole shareholder of Woodruff Utility Company, an Arizona corporation (the "Corporation"), by consent in writing pursuant to the authority contained in Section 10-704 of the Arizona Business Corporation Act, without the formality of convening a meeting, does hereby adopt and approve the following actions of the Corporation:

RESOLVED, that F. Francis Najafi be, and he hereby is, elected director of the Corporation, to hold his directorship until his successors are duly elected and shall have qualified or until his earlier resignation or removal.

PIVOTAL SANDIA, L.L.C.,  
an Arizona limited liability company

By: Pivotal Group X, L.L.C.,  
an Arizona limited liability company  
Its: Managing Member

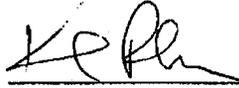
By: F. Francis Najafi; as Trustee of the  
F. Francis Najafi Family Trust  
Its: Administrative Member

By:   
F. Francis Najafi, Trustee  
CONSTITUTING THE SOLE SHAREHOLDER  
OF WOODRUFF UTILITY COMPANY

RESIGNATION

I hereby notify the shareholders of Woodruff Utility Company (the "Corporation") of my resignation as director of the Corporation, effective immediately.

Date: April 26, 2004



\_\_\_\_\_  
Karl Polen