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Arizona Corporation Commission
DOCKETED

MAY 23 2005

Arizona Corporation Commission
Hearings Division
1200 West Washington Street
Phoenix, Arizona 85007

DOCKETED BY	<i>[Signature]</i>
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Re: **Woodruff Water Company:** Application for Extension of Certificate of Convenience and Necessity/Docket W-04264A-04-0438
Arizona Water Company: Application for Extension of Certificate of Convenience and Necessity/Docket W-01445A-04-0755
SW-04265A-04-0439

Dear Commissioners:

The Cardon Hiatt Companies ("Cardon") own approximately 720 acres of real property located in Section(s) 19, Township 5 South, Range 8 East (the "Property"). The Property is not currently within an existing Certificate of Convenience and Necessity ("CC&N") for either water or sewer service. However, by the above referenced applications, both the Woodruff Water Company ("Woodruff") and the Arizona Water Company ("AWC") seek to include the Property within their respective CC&N. For the reasons more fully explained below, Cardon submits this correspondence in opposition to both applications on the grounds that inclusion of the Property within the CC&N of either Woodruff or AWC is premature at this time and, as such, is contrary to the public interest.

Cardon intends to construct a residential development on the Property. However, that development is not imminent. Accordingly, there is currently no need for either water or sewer service on the Property and, therefore, no need to include the Property within the CC&N of either Woodruff or AWC at this time.

Moreover, Cardon is exploring the possibility of providing water and sewer service to the Property itself at such time as the Property is developed. Clearly, fairness (and past practice in Arizona) dictates that, as owner of the Property, Cardon be afforded every opportunity to provide such service should it so desire and should it have the technical and financial capability to do so. However, should the Property be included within the CC&N of either Woodruff or AWC at this time, Cardon will have been deprived of that opportunity simply because its development of the Property is not imminent. The public interest is not served by forcing Cardon to accelerate its development plans in order to preserve its right to provide water and sewer service to the Property. Put another way, the public interest is best served by respecting the right of Cardon, as

owner of the Property, to have an opportunity to provide water and sewer service to the Property. Consequently, inclusion of the Property within the CC&N of either Woodruff or AWC is premature as doing so would be in derogation of the public interest.

Further, even if Cardon had no intention of seeking to provide water and sewer service to the Property, inclusion of the Property within the CC&N of either Woodruff or AWC at this time would still be premature. Any determination of what is most consistent with the public interest will be more soundly based on fact if made at such time as the plans for the development of the Property are made. That is, Cardon should be afforded the opportunity to negotiate with every prospective provider of water and sewer service. Doing so serves the public interest because it would benefit all those who would be residing in the development. However, there would be little basis for such negotiation without a development plan in place. In addition, because development of the property is not imminent, the public interest is best served by scrutinizing the respective financial capabilities of Woodruff and AWC at such time as the property will be developed as their respective financial positions may be different at that time.

Based on the foregoing, Cardon respectfully requests that the Property not be included in the CC&N of either Woodruff or AWC. Thank you in advance for your consideration in this matter.

Yours truly,


Craig D. Cardon

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