

ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MARC SPITZER
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 CERTIFICATE OF)
CONVENIENCE AND NECESSITY FOR)
ITS SUPERSTITION SYSTEM, PINAL)
COUNTY, ARIZONA)

DOCKET NO. W-01445A-05-0701

RESPONSE TO INSUFFICIENCY
LETTER

On November 3, 2005 ARIZONA WATER COMPANY, an Arizona corporation,
("AWC") received an insufficiency letter from the Staff in the above-captioned matter.
AWC is now responding to Staff's letter through the information attached to this
Response.

RESPECTFULLY SUBMITTED this 12th day of December 2005.

ARIZONA WATER COMPANY

By: Robert W. Geake
Robert W. Geake
Vice President and General Counsel
ARIZONA WATER COMPANY
Post Office Box 29006
Phoenix, Arizona 85038-9006

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Original and thirteen (13) copies of the foregoing filed this 12th day of December 2005

with:

Docket Control Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

A copy of the foregoing was mailed this 12th day of December 2005 to:

Christopher Kempley, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

By: Robert W. Meade

Arizona Water Company - Superstition System
Docket No. W-01445A-05-0701
(CC&N Extension)

November 9, 2005

1. Please provide system operation data by submitting a Water Use Data Sheet for the Superstition System.

See Attachment #1.

2. Please provide the fire flow requirement for this system?

1,000 GPM.

3. Please provide the proposed plant facilities, along with itemized cost breakdown, to be constructed to serve customers in the requested area.

See Attachment #3.

4. Please explain the method of financing the proposed plant facilities to Item 3 above.

Advance in aid of construction.

5. Please provide and ADEQ Compliance Status Report for the Superstition system.

See Attachment #5.

6. Has an ADEQ Certificate for Approval to Construct been obtained for Item 3 above? If not, what is the status?

No, this project is at least two years away from submitting construction plans to ADEQ for the Approval to Construct.

7. The requested areas are within the Phoenix Active Management Area. Please provide a copy of the Arizona Department of Water Resources ("ADWR") Designation of Assured Water Supply or Certificate of Assured Water Supply for the CC&N area requested. If none of these are available, please provide a copy of the ADWR's Physical Availability Determination. If a determination of Assured Water Supply has not been obtained from ADWR, please inform Utilities Division Staff ("Staff") of the status of the application for that determination.

See Attachment #7.

8. Please provide any other information which will allow the Commission to analyze and conclude that the Company has sufficient water production capacity, or can develop enough drinking water capacity to service the existing and future demands from the proposed CC&N extension area.

No additional information is available.

9. Please provide an estimate of the water facilities costs necessary to serve the proposed CC&N extension area. The cost should include a description of the major components with the cost of the component (i.e., wells, number and size of storage tanks, etc.) The method of financing for the major components should be described in as much detail as possible.

Please refer to the response to Question 3.

10. Please provide a copy of the proposed construction schedule.

The Developer has not provided the Company with a construction schedule. The Developer has indicated that he would like to break ground in 2007 and construct and make available for sale 50 units in 2008.

11. Please provide the name, address, and telephone number of management contact for inquiries regarding the Application.

Eric Capranica
ECCO Properties, Inc.
1170 North Gilbert Road Ste 115
Gilbert, AZ 85234
Phone 480-558-1395

12. Please provide a copy of the Company's Certificate of Good Standing.

See Attachment 12.

13. According to the Application, "[e]ach property owner will be mailed the public notice attached as Exhibit 6...." Please indicate the date that notice of application was sent or will be sent to the property owners.

November 15, 2005.

Michael J. Whitehead
Vice President – Engineering
ARIZONA WATER COMPANY
P.O. Box 29006 - Phoenix, AZ 85038-9006
Voice: 602.240.6860 / Fax: 602.240.6878
mwhitehead@azwater.com

WATER USE DATA SHEET

ATTACHMENT 1

NAME OF COMPANY	ARIZONA WATER COMPANY - SUPERSTITION
ADEQ Public Water System No.	11-004

MONTH/YEAR (LAST 13 MONTHS)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED	GALLONS PURCHASED
October-05	20,354	250,591	272,645	0
September-05	20,311	251,171	275,982	0
August-05	20,154	251,171	287,706	0
July-05	20,111	257,799	307,306	0
June-05	20,085	305,908	301,367	0
May-05	20,046	264,654	291,138	0
April-05	19,994	233,674	236,201	0
March-05	19,878	204,804	210,040	0
February-05	19,851	151,149	165,133	0
January-05	19,847	161,475	191,800	0
December-04	19,805	174,475	187,708	0
November-04	19,745	186,872	217,809	0
October-04	19,690	197,603	228,744	0

STORAGE TANK CAPACITY (Gallons)	NUMBER OF EACH	ARIZONA DEPT. OF WATER RESOURCES WELL I.D. NUMBER	WELL PRODUCTION (Gallons per Minute)
County Line 1,000,000	1	A(1-7)26 aac - Oasis	1,000
County Line 4,000,000	1	A(1-8)30 dcc - Southern	920
Gold Canyon 500,000	1	D(2-10)31 abb - Florence Junction #1	250
Lower Zone 2,000,000	1	A(1-7)26 aac-2 - Oasis	2,300
Mining Camp 150,000	1	A(1-8)29 cdc - Sunrise Canyon	1,150
Mining Camp 1,000,000	1	D(2-10)31 abd - Florence Junction #2	545
Oasis 550,000	1	A(1-8)31 dcb - Baseline	840
Superstition 300,000	1	A(1-7)25 dda - American Legion	2,000
UDC Tank Site 2,000,000	1	D(2-10)31 abc - Florence Junction #3	850
University 500,000	1		
University 1,000,000	1		
University 4,000,000	1		
Vista Del Corazon 1,000,000	1		
Desert Wells Tank 376,000	1		
Queen Creek Tank 2,200,000	1		
Town Tank 500,000	1		

Other Water Sources in Gallons per Minute	GPM	1,000*
Fire Hydrants on System	YES	NO
Total Water Pumped Last 13 Months (Gallons in Thousands)		3,173,579

* Treated CAP Water

ATTACHMENT 3

NOTE:
THIS COST ESTIMATE IS BASED ON THE LATEST LABOR AND MATERIAL PRICES AVAILABLE, BUT IT IS PRELIMINARY ONLY AND DOES NOT NECESSARILY REFLECT THE ACTUAL COST OF THIS PROJECT.

ARIZONA WATER COMPANY
PRELIMINARY COST ESTIMATE

DATE PREPARED:
11/9/2005

PREPARED BY:
Michael J. Whitehead

SYSTEM:
Superstition

PROJECT LOCATION
Sections 7,18 & 20 T.2S., R.11E Pinal County

PROJECT DESCRIPTION:

Install On-Site and Off-Site Water Distribution System to Serve Superstition Views Subdivision

MATERIALS & LABOR			ESTIMATED PROJECT COST	
ACCOUNT	QUANTITY	DESCRIPTION	REFUNDABLE ADVANCE	NON-REFUNDABLE CONTRIBUTION
343	21,120 L.F.	Install 12-inch D.I.P. and related fittings off-site	\$ 1,267,200	
343	1 EA.	Pressure regulating station (high pressure 6" by 4" by 2")	30,000	
343	350 Lots	On-site distribution system at \$3,000/lot	1,050,000	
SUBTOTAL - MATERIALS & LABOR			\$ 2,347,200	\$ -
OVERHEAD			140,832	-
TOTAL REFUNDABLE AND NON-REFUNDABLE ESTIMATED PROJECT COST			\$ 2,488,032	\$ -
TOTAL ESTIMATED PROJECT COST			\$2,488,032	

ATTACHMENT 5

Arizona Department of Environmental Quality
Water Quality Compliance Assurance Unit
1110 W. Washington Street, 5415B-1
Phoenix, AZ 85007

Drinking Water Compliance Status Report

Public Water System Name: AZ Water Company-Apache Junction

Public Water System ID #: 11-004

Public Water System Type: CO Non-transient Non-community Transient Non-community

Overall Compliance Status: No Major Deficiencies Major Deficiencies

Monitoring and Reporting Status: No Major Deficiencies Major Deficiencies
Comments:

Operation and Maintenance Status: No Major Deficiencies Major Deficiencies
Comments:

Major unresolved/ongoing operation and maintenance deficiencies:

- | | |
|---|---|
| <input type="checkbox"/> unable to maintain 20psi | <input type="checkbox"/> inadequate storage |
| <input type="checkbox"/> cross connection/backflow problems | <input type="checkbox"/> surface water treatment rule |
| <input type="checkbox"/> treatment deficiencies | <input type="checkbox"/> approval of construction |
| <input type="checkbox"/> certified operator | <input type="checkbox"/> other |

Date of last inspection / sanitary survey: 6-7-01

Administrative Orders:

Is an ADEQ administrative order in effect? Yes No
Comments:

System information:

Number of Points of Entry 4 Number of Sources 6 Population Served 49,540

Service Connections 17,356 Initial Monitoring Year 1994 Initial MAP Year N/A

Evaluation completed by: **Jim Puckett**

Phone: 602-771-4649 Date: 9-23-05

Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for this system in the future. This compliance status report does not reflect the status of any other water system owned by this utility company.

ATTACHMENT 5

Arizona Department of Environmental Quality
Water Quality Compliance Assurance Unit
1110 W. Washington Street, 5415B-1
Phoenix, AZ 85007

Drinking Water Compliance Status Report

Public Water System Name: AZ Water Co - Superior

Public Water System ID #: 11-021

Public Water System Type: CO Non-transient Non-community Transient Non-community

Overall Compliance Status: No Major Deficiencies Major Deficiencies

Monitoring and Reporting Status: No Major Deficiencies Major Deficiencies

Comments:

Operation and Maintenance Status: No Major Deficiencies Major Deficiencies

Comments:

Major unresolved/ongoing operation and maintenance deficiencies:

- | | |
|---|---|
| <input type="checkbox"/> unable to maintain 20psi | <input type="checkbox"/> inadequate storage |
| <input type="checkbox"/> cross connection/backflow problems | <input type="checkbox"/> surface water treatment rule |
| <input type="checkbox"/> treatment deficiencies | <input type="checkbox"/> approval of construction |
| <input type="checkbox"/> certified operator | <input type="checkbox"/> other |

Date of last inspection / sanitary survey: 6-4-03

Administrative Orders:

Is an ADEQ administrative order in effect? Yes No

Comments:

System information:

Number of Points of Entry 1 Number of Sources 3 Population Served 3,779

Service Connections 1,286 Initial Monitoring Year 1993 Initial MAP Year 1999

Evaluation completed by: **Jim Puckett**

Phone: 602-771-4649 Date: 9-28-05

Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for this system in the future. This compliance status report does not reflect the status of any other water system owned by this utility company.

ATTACHMENT 7

ARIZONA DEPARTMENT OF WATER RESOURCES

Hydrology Division

500 North Third Street, Phoenix, Arizona 85004

Telephone 602 417-2448

Fax 602 417-2425

July 19, 2001

RECEIVED

JUL 23 2001

ARIZONA WATER COMPANY
PHOENIX - EXECUTIVE



JANE DEE HULL
Governor

JOSEPH C. SMITH
Director

William M. Garfield, Vice President - Operations
Arizona Water Company
P.O. Box 29006
Phoenix, AZ 85038-9006

**RE: Arizona Water Company, Apache Junction
Application for Physical Availability Demonstration #20-400448**

Dear Mr. Garfield:

The Department has completed review of the report entitled *Hydrology Study Report Apache Junction Groundwater Flow Model* prepared for Arizona Water Company, by Clear Creek Associates, November 22, 2000. The area of investigation is the Arizona Water Company model boundary specified in the report. The study area encompasses about 420 square miles in the East Salt River Valley Sub-basin in the Phoenix Active Management Area.

In accordance with A.A.C. R12-15-702 (C), we have determined that 19,255 acre-feet per year of groundwater are physically available for 100 years under A.A.C. R12-15-703 (B) for assured water supply purposes in the subject area. This determination is based on the MODFLOW evaluation that simulated 19,255 acre-feet of pumping per year from supply wells within Arizona Water Company's service area. This water is also of adequate quality for purposes of A.A.C. R12-15-704. The amount of 19,255 acre-feet per year includes the amount of groundwater required to meet the current and committed demands of the Apache Junction system. According to available information, the current and committed groundwater demand is estimated at about 7,340 acre-feet per year. It is the Department's conclusion that, pumping up to a maximum of 19,255 acre-feet per year for 100 years will take the depth-to-static water level to less than 1,000 feet below land surface, the maximum depth allowed by A.A.C. R12-15-703 (B). **If the Department finds that the groundwater supply is not available because the assumptions and information used in determining the physical availability under the current criteria prove incorrect, the Department will modify the availability of groundwater accordingly.**

The results of the Department's hydrologic review fulfill the requirements of R12-15-702 (C) and can be cited in applications for a Certificate of Assured Water Supply or for a Designation of Assured Water Supply. These applications have certain additional requirements based on the assured water supply criteria referenced in A.R.S. § 45-576 and A.A.C. R12-15-701 *et. seq.* For further information on these requirements, please contact the Office of Assured and Adequate Water Supply at (602) 417-2460.

Page 2

Mr. William M. Garfield

July 19, 2001

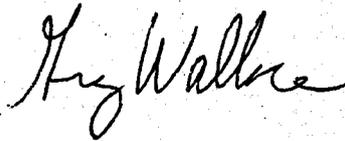
Arizona Water Company, Apache Junction

Application for Physical Availability Demonstration #20-400448

The Department's determination is an appealable agency action. In order to appeal this decision; you must request an appeal within thirty (30) days from receipt of this letter. I have enclosed a summary of the appeals process and an appeal form should you wish to pursue this option.

If you have any questions regarding the physical availability review, please contact me at (602) 417-2448.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Wallace". The signature is written in a cursive, flowing style.

Greg Wallace
Chief Hydrologist

GW/KM/rd
202194

cc: Steve W. Correll, Clear Creek Associates
Steve Rossi, ADWR

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

*****ARIZONA WATER COMPANY*****

a domestic corporation organized under the laws of the State of Arizona, did incorporate on December 15, 1954.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 28th Day of March, 2005, A. D.



EXECUTIVE SECRETARY

BY: _____