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COMMISSIONERS

RECEIVED

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

2005 OCT -4 P 1:33
AZ CORP COMMISSION
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF ARIZONA WATER COMPANY, AN
ARIZONA CORPORATION, TO EXTEND
ITS EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY AT
SEDONA, YAVAPAI COUNTY, ARIZONA

DOCKET NO. W-01445A-05-0374

OBJECTIONS TO STAFF REPORT

A procedural order entered in this matter on August 23, 2005 ordered ARIZONA WATER COMPANY, an Arizona corporation, ("AWC") to file any objections to the Staff Report on or before October 7, 2005.

At page 3 of its Report, Staff recommends that AWC's application filed in this docket be approved, subject to AWC's compliance with certain conditions, including the following:

1. AWC should file a copy of the [ADEQ] Approval to Construct for the extension facilities within one year from the date of the decision in this matter.
2. AWC should file a copy of the developer's Letter of Adequate Water Supply for the requested extension area, where applicable or required by statute, within one year of the date of decision in this matter.
3. AWC should file the main extension agreements within one year from the date of decision in this matter.

1 While it may be sufficient in some certificate of convenience and necessity
2 extension cases to require that the foregoing information be filed within one year of the
3 date of the decision, that is not the case in this docket. Due to the particular
4 circumstances faced by the developer and the Company with respect to the proposed
5 extension area in this matter, a one-year period for filing the Approval to Construct and
6 the main extension agreements is not sufficient. In this case, the application includes
7 land that is located within a national forest. The U.S.D.A. process to obtain an approval
8 to construct facilities may take up to two years following the date of the decision in this
9 matter. For that reason, AWC objects to the above-cited recommendations in the Staff
10 Report that concern the Approval to Construct and the main extension agreements.
11 AWC submits that, in the alternative, a period of two years for filing this information
12 listed above would be reasonable and sufficient, and AWC suggests that the Staff
13 Report be revised to include this revision.
14

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16 With respect to the requirement concerning the developer's Letter of Adequate
17 Water Supply, the Company believes that a Letter of Adequate Water Supply will not be
18 required for the developer's project because the U.S.D.A. has no plans to subdivide the
19 property under Arizona law. The Company, therefore, objects to this requirement, as
20 detailed above, and requests that it be removed from the Staff Report.

21 RESPECTFULLY SUBMITTED this 4th day of October, 2005.

22 ARIZONA WATER COMPANY

23
24 By: Robert W. Geake

25 Robert W. Geake
26 Vice President and General Counsel
27 ARIZONA WATER COMPANY
28 Post Office Box 29006
Phoenix, Arizona 85038-9006

1 Original and thirteen (13) copies of the foregoing filed the 4th day of October, 2005
with:

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

5 A copy of the foregoing was mailed the 4th day of October, 2005 to:

6 Honorable Yvette B. Kinsey
7 Administrative Law Judge
Hearing Division
8 Arizona Corporation Commission
1200 West Washington Street
9 Phoenix, AZ 85007

10 Christopher Kempley, Chief Counsel
11 Legal Division
Arizona Corporation Commission
12 1200 West Washington Street
Phoenix, Arizona 85007

13 Ernest G. Johnson
14 Director, Utilities Division
Arizona Corporation Commission
15 1200 West Washington Street
Phoenix, Arizona 85007

17 By: *Rolant W. Seabe*

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