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INTERVENTION

Arizona Corporation Commes

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AZ CORP COMMISSION
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 3 **MOYES STOREY, LTD.**
 3003 North Central Ave., Suite 1250
 4 Phoenix, Arizona 85012
 (602) 604-2141

Attorneys for Chloride Domestic Water Improvement District

BEFORE THE ARIZONA CORPORATION COMMISSION

8

9 **IN THE MATTER OF THE**
 10 **APPLICATION OF VALLEY PIONEER**
 11 **WATER COMPANY, INC. TO AMEND**
 12 **THE USE OF THE PROCEEDS FROM**
 13 **LONG-TERM DEBT**

DOCKET NO. W-02033A-03-0379

CHLORIDE DOMESTIC WATER
IMPROVEMENT DISTRICT'S
APPLICATION FOR LEAVE TO
INTERVENE

14 Pursuant to A.A.C. R14-3-105, Chloride Domestic Water Improvement District (District)
 15 hereby requests an order by the Commission granting the District intervention in this proceeding.

16 The District serves the town site of Chloride's domestic water needs. Due to poor well
 17 production, the District has been hauling water by truck for more than five years. Weighing the
 18 most cost-effective alternatives to finding a new water source for the District, the Board of
 19 Directors of the Water Infrastructure Finance Authority (WIFA), recently authorized a financial
 20 assistance agreement for \$800,000 to fund infrastructure and a transmission line from the Phelps
 21 Dodge Bagdad Inc.'s water system to Chloride. To move forward, WIFA is requiring the
 22 District to confirm that (1) Valley Pioneer Water Company has acquired an interest in the Phelps
 23 Dodge well fields currently leased to lessee Equatorial Mineral Park, Inc., and (2) a water supply
 24 agreement executed between Valley Pioneer and the District.
 25

1 Recently, the Utilities Division Staff issued a report containing conditions that, if adopted
2 by the Commission, would cause the Valley Pioneer-Equatorial agreement to fail. Valley
3 Pioneer, Phelps Dodge, and Equatorial negotiated the agreement for more than a year and
4 understandably Equatorial is unwilling to accept material concessions without incentive as
5 suggested by Staff. If Staff's recommended conditions concerning Equatorial are adopted, the
6 agreement will fail.

7
8 The recommendations also directly affect the District's proposed operations. Staff
9 recommends that the District establish a clear demarcation of ownership between the Valley
10 Pioneer and Chloride systems so Valley Pioneer ratepayers do not subsidize Chloride customers.
11 The recommendations also contemplate the District's water service impacting capital costs.
12 While the District does not necessarily disagree with these recommendations, these proposals
13 certainly give the District standing to participate in the proceedings.

14 In sum, the District has a substantial interest in this proceeding. Unless the Commission
15 approves the agreement between Valley Pioneer and Equatorial, the District will lose \$800,000
16 and will then have to incur the continuing cost of hauling water and finding another water
17 source. Certain recommendations directly affect how the District will receive water and under
18 what terms, which will dictate to some degree the agreement it must reach with Valley Pioneer to
19 receive the WIFA financing if the agreement goes forward. Obviously, the District will be
20 substantially impacted by the decision in this matter. The District can provide additional
21 information to the Commission about the value of the proposed agreement and the impact Staff's
22 conditions will have on the community at large. Staff already contemplates water service to the
23 District, so the District's participation will not broaden or delay the proceeding. Therefore, the
24
25

1 District respectfully requests that the Commission grant this application for leave to intervene in
2 this matter.

3 Following intervention, the District requests that all communications in connecting with
4 the above captioned proceedings be directed to:

5
6 Steve Wene, No. 019630
7 **MOYES STOREY, LTD.**
8 3003 North Central Ave., Suite 1250
9 Phoenix, Arizona 85012
10 (602) 604-2141

11 **RESPECTFULLY SUBMITTED** this 30th day of July, 2003.

12
13 **MOYES STOREY, LTD.**

14 
15 _____
16 Steve Wene
17 **MOYES STOREY, LTD.**
18 3003 North Central Ave., Ste 1250
19 Phoenix, Arizona 85012
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21
22 Original and 13 copies of the foregoing
23 were hand-delivered for filing this 30th
24 day of July, 2003, to:

25 Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

One copy of the foregoing was
hand-delivered this 30th day of July, 2003, to:

Lyn Farmer, Chief administrative Law Judge
Hearing Division
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