

ORIGINAL WEST END WATER CO.



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AZ CORP COMMISSION
DOCUMENT CONTROL

January 30, 2006

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

Re: West End Water Co. - Application for Extension of its Certificate of Convenience
and Necessity (CC&N), Docket No. W-01157A-05-0706

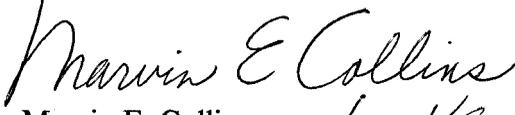
Dear Madam/Sir:

The purpose of this letter is to address the issues raised in our meeting with Ms. Blessing Chukwu and Ms. Dorothy Hains on January 23, 2006.

1. Please find enclosed a copy of a construction schedule titled, "Facilities Phasing Analysis," prepared by Aricor Water Solutions. This construction schedule is West End's plan for expansion of the West End water system to allow it to serve its existing customer base, the proposed Walden Ranch development (including the 443 proposed connections in the requested CC&N expansion area) and additional growth anticipated in the portion of the West End service area south of Grand Avenue. The construction schedule indicates the timing for additional wells, storage and booster pumping facilities.
2. Please find enclosed a summary of steps taken to date by West End Water Co. to reduce unaccounted for water loss.
3. Wastewater service to the area will be supplied by the City of Surprise. The area is within the City of Surprise MAG 208 planning area.
4. West End Water Co. is the water company best suited to provide water service to the requested certificate extension area because:
 - a. The expansion area is contiguous to West End's service area and is part of the master planned community of Walden Ranch. The proposed extension area represents approximately 30% of Walden Ranch with approximately 70% of Walden Ranch being in the current CC&N of West End Water Co. Only with West End Water Co. as the water provider for the certificate expansion area will all customers in Walden Ranch have the same water provider, thereby avoiding consumer confusion and water rate inequities among Walden Ranch residents.
 - b. Only West End Water Co. has received a request for service from the developers of Walden Ranch.

- c. In anticipation of rapid growth in its certificated area, West End Water Co. has prepared a comprehensive water master plan for the portion of its service area south of Grand Avenue, including the requested certificate expansion area. The water master plan provides for an integrated water system for the existing CC&N and the requested certificate extension area, avoiding piecemeal system planning and expansion common with many small water companies. The West End Water Co. water master plan sizes water supply, storage, booster pumping and distribution facilities to meet all regulatory standards, provide appropriate system redundancy and reliability, and to provide fire flows meeting the requirements of the 2003 International Fire Code, including a 3,000 gallon-per-minute fire flow.
- d. Due to the pending development of Walden Ranch (portion within West End's CC&N) and the Rancho Maria master planned communities, West End Water Co. can economically provide the needed water supply, storage and booster pumping facilities through the incremental upsizing of facilities to be constructed to serve the Walden Ranch and Rancho Maria developments.
- e. By integrating the facilities required to serve the certificate extension area with the facilities needed to serve West Water Co.'s existing certificated area, as detailed in its water master plan, significant economies of scale in both construction cost and operating cost will be experienced by West End Water Co. in the provision of water service in the certificate extension area. These economies of scale will provide significant economic benefit to the residents of Walden Ranch located in the certificate expansion area through water rate savings.
- f. West End Water Co. has made application to Maricopa County to expand the existing franchise area to include the expansion area. A hearing for approval is scheduled before the Maricopa County Board of Supervisors on February 1, 2006.

Cordially,


Marvin E. Collins
Manager

MEC:ks
Enc.

Table 1 - Booster Pump Requirement

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total	85	41	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158
Existing Customers	95	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Infill	2																			
Walden Ranch Residential	948	37	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38
Commercial Park	37	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
School	45																			
Rancho Maria Residential	215	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43
Commercial	49	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Additional Development	1,148																			
Annual Customer Demand	2,615	203	241	241	257	212	212	257	99	99	99	99	99	99	99	99	99	99	99	99
Cumulative Peak Day Customer Demand	97	99	302	543	788	1,011	1,223	1,480	1,578	1,878	1,777	1,878	1,878	1,878	2,164	2,254	2,344	2,435	2,525	2,615
Fire Flow Requirement	250	250	1,750	1,750	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Peak Day + Fire	347	348	2,052	2,293	3,788	4,011	4,223	4,480	4,578	4,878	4,777	4,878	4,878	4,878	5,164	5,254	5,344	5,435	5,525	5,615
Firm Well Capacity Required	98	98	302	543	788	1,011	1,223	1,480	1,578	1,878	1,777	1,878	1,878	1,878	2,164	2,254	2,344	2,435	2,525	2,615
Firm Booster Capacity Required	349	349	2,052	2,293	3,798	4,011	4,223	4,480	4,578	4,878	4,777	4,878	4,878	4,878	5,164	5,254	5,344	5,435	5,525	5,615

Table 2 - Storage Requirement

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total	54,848	23,790	54,848	54,848	54,848	54,848	54,848	54,848	54,848	54,848	54,848	54,848	54,848	54,848	54,848	54,848	54,848	54,848	54,848	54,848
Existing Customers	54,848	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188
Infill	1,188																			
Walden Ranch Residential	545,840	90,980	90,980	90,980	90,980	90,980	90,980	90,980	90,980	90,980	90,980	90,980	90,980	90,980	90,980	90,980	90,980	90,980	90,980	90,980
Commercial	21,420	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142
Park	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800
School	25,920																			
Rancho Maria Residential	124,082	24,818	24,818	24,818	24,818	24,818	24,818	24,818	24,818	24,818	24,818	24,818	24,818	24,818	24,818	24,818	24,818	24,818	24,818	24,818
Commercial	28,152	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815
Additional Development	660,980																			
Annual Additional Operational Storage	55,836	1,188	116,886	136,596	147,874	121,954	121,954	147,878	56,988	56,988	56,988	56,988	56,988	56,988	52,031	52,031	52,031	52,031	52,031	52,031
Cumulative Total Operational Storage	57,024	174,020	312,817	460,489	608,151	755,813	903,475	1,051,137	1,198,799	1,346,461	1,494,123	1,641,785	1,789,447	1,937,109	2,084,771	2,232,433	2,380,095	2,527,757	2,675,419	2,823,081
Fire Storage Requirement	30,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Total Storage Requirement	87,024	384,020	522,817	670,489	818,151	965,813	1,113,475	1,261,137	1,408,799	1,556,461	1,704,123	1,851,785	1,999,447	2,147,109	2,294,771	2,442,433	2,590,095	2,737,757	2,885,419	3,033,081

Table 3 - Well Phasing Analysis

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Well Facilities (gpm)																					
Wittman No. 1	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
Wheat Well	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Walden Ranch No. 1	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750
Walden Ranch No. 2	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750
Walden Ranch No. 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Walden Ranch No. 4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wittman Well No. 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Well Capacity	275	1,775	1,775	1,775	1,775	2,525	2,525	2,525	2,525	3,275	3,275	3,250	3,250	3,250	3,250	3,575	3,575	3,575	3,575	3,575	3,575
Firm Well Capacity	1,025	1,025	1,025	1,025	1,025	1,775	1,775	1,775	1,775	2,525	2,525	2,500	2,500	2,500	2,500	2,825	2,825	2,825	2,825	2,825	2,825
Required Firm Well Capacity	89	302	543	789	1,011	1,223	1,480	1,878	1,777	1,876	1,876	2,073	2,073	2,073	2,184	2,254	2,344	2,435	2,525	2,615	2,615
Excess (Deficit) Well Capacity	926	723	482	226	784	552	295	295	748	624	427	336	427	427	336	571	481	390	300	210	210

Table 4 - Booster Pumping Phasing Analysis

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Booster Pumping Facilities (gpm)																					
Wittman Booster Station	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400
Wittman Booster Station Expansion	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80
Wheat Booster Station	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Walden Ranch Booster Station (PH. 1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Walden Ranch Booster Station (PH. 2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Booster Capacity	460	5,980	5,980	5,980	5,980	7,480	7,480	7,480	7,480	7,480	7,480	7,400	7,400	7,400	7,400	7,800	7,800	7,800	7,800	7,800	7,800
Firm Booster Capacity	180	4,180	4,180	4,180	4,180	5,680	5,680	5,680	5,680	5,680	5,680	5,680	5,680	5,680	5,680	6,060	6,060	6,060	6,060	6,060	6,060
Required Firm Booster Capacity	349	2,052	2,283	2,789	3,789	4,011	4,223	4,480	4,579	4,579	4,777	4,878	4,975	5,073	5,164	5,254	5,344	5,435	5,525	5,615	5,615
Excess (Deficit) Booster Capacity	3,831	2,128	1,887	1,887	381	1,669	1,457	1,200	1,101	1,002	803	784	685	587	496	808	716	625	535	445	445

Table 5 - Storage Phasing Analysis

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Storage Facilities (gallons)																					
Wittman Booster Station	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Wittman Booster Station Expansion	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Wheat Booster Station	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Walden Ranch Booster Station (PH. 1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Walden Ranch Booster Station (PH. 2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Storage Capacity	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	2,050,000	2,050,000	2,050,000	2,050,000	2,050,000
Required Storage Capacity	87,024	384,020	522,617	522,617	1,000,490	1,122,444	1,244,398	1,382,378	1,448,364	1,506,852	1,565,341	1,620,328	1,677,317	1,734,306	1,788,337	1,838,368	1,890,399	1,942,430	1,994,461	2,046,492	2,046,492
Excess (Deficit) Storage Capacity	922,976	625,980	487,383	487,383	8,510	687,556	565,602	417,624	360,636	303,648	248,658	179,671	122,683	66,694	13,663	211,632	159,601	107,570	56,539	3,508	3,508

Table 6 - Facilities Phasing Summary

Facilities Phase	Year	Storage	Well Capacity	Booster	Firm Booster
Wittman Booster Station	Existing	200,000	250	400	160
Wheat Booster Station	Existing	10,000	25	60	20
Wheat Booster Abandonment	2017	(10,000)	(25)	(60)	(20)
Wittman Booster Station Expansion	2021	250,000		400	400
Walden-Ranch Booster Station (PH. 1)	2007	800,000		5,500	4,000
Walden-Ranch Booster Station (PH. 2)	2011	800,000		1,500	1,500
Wittman Well No. 2	2021		325		
Walden Ranch No. 1	2007		750		
Walden Ranch No. 2	2007		750		
Walden Ranch No. 3	2011		750		
Walden Ranch No. 4	2015		750		
Totals		2,050,000	3,575	7,800	6,060

WEST END WATER CO.

January 30, 2006

UNACCOUNTED WATER

West End Water Co. (WEWC) was originally Spear Seven Water Company that was issued a CC&N in 1946. The water system is primarily small diameter water lines that provide service to smaller lots in the original Wittmann platted subdivisions. There are larger acreage parcels surrounding the Wittmann area. Some receive water service from WEWC and others have their own wells.

WEWC is concerned about the unaccounted water loss and has implemented a lost water control program that has significantly reduced lost water. WEWC is committed to continue its lost water control program with the goal of less than 10% unaccounted water loss.

The following actions are components of WEWC's lost water control program and are undertaken to reduce the percentage of unaccounted water loss.

1. Well pump meter is regularly tested to verify accuracy.
2. WEWC removed and tested 5% of the meters in the distribution system, representing the oldest meters in the system. All of the meters tested within AWWA accuracy standards. As conditions dictate, WEWC will periodically test additional meters for accuracy. Any meters not meeting AWWA accuracy standards will be replaced.
3. WEWC personnel physically check water lines for leaks on a periodic basis. Checks include surface visual inspection of all water lines and excavation of selected water lines in washes and drainage areas to ensure that there are no undetected leaks. To date, significant leakage has not been identified.
4. WEWC personnel survey the water distribution system to identify unauthorized connections to the water system on a periodic basis. West End Water Co. recently found two (2) unauthorized connections and the individuals were prosecuted through Maricopa County. Due to success in this area of its lost water control program, WEWC will aggressively continue its program of identifying and eliminating unauthorized connections.

Due to its lost water control program, WEWC has seen a consistent downward trend for unaccounted water during 2005, with the calendar year 2005 lost water being 15.4%. Attached is a chart showing gallons pumped and accounted for water for the calendar year 2005.

**WEST END WATER CO.
UNACCOUNTED WATER 2005**

WEST END WATER CO.

MONTH	PUMPED (GALLONS)	TOTAL ACCOUNTED FOR	DIFFERENCE	PERCENTAGE
JANUARY	1,721,000	1,287,310	433,690	25.2%
FEBRUARY	1,374,000	1,129,790	244,210	17.8%
MARCH	1,674,000	1,493,990	180,010	10.8%
APRIL	2,143,000	1,834,640	308,360	14.4%
MAY	2,897,000	2,397,430	499,570	17.2%
JUNE	3,490,000	2,938,180	551,820	15.8%
JULY	4,048,000	3,324,830	723,170	17.9%
AUGUST	2,986,000	2,573,540	412,460	13.8%
SEPTEMBER	3,347,000	2,791,588	555,412	16.6%
OCTOBER	2,339,000	2,069,312	269,688	11.5%
NOVEMBER	2,044,000	1,858,140	185,860	9.1%
DECEMBER	2,041,000	1,781,270	259,730	12.7%
TOTAL	30,104,000	25,480,020	4,623,980	15.4%

January 26, 2006