

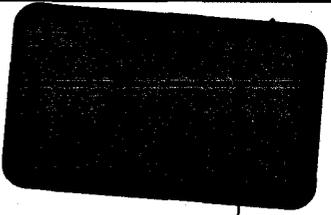


0000041496

Transcript Exhibit(s)

Docket # (s): W-01427A-00-1004
SW-01428A-00-1004

Exhibit #: A-1, A-2, A-3, A-4
A-5, S-1,



1 Richard L. Sallquist, Esq. (002677)
 2 SALLQUIST & DRUMMOND, P.C.
 2525 E. Arizona Biltmore Circle, Suite 117
 Phoenix, Arizona 85016
 Telephone: (602) 224-9222 Fax: (602) 224-9366
 Attorneys for Litchfield Park Service Company

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)	DOCKET NOS. W-01427A-00-0025
LITCHFIELD PARK SERVICE COMPANY FOR)	SW-01428A-00-0025
AN EXTENSION OF ITS CERTIFICATE OF)	
CONVENIENCE AND NECESSITY TO)	APPLICATION
PROVIDE WATER AND WASTEWATER)	
SERVICE IN MARICOPA COUNTY, ARIZONA,)	
AND DELETION OF A PORTION OF THE)	
WATER CERTIFICATED.)	

10 Litchfield Park Service Company ("Litchfield") submits this Application to extend its
 11 water and wastewater Certificate of Convenience and Necessity, and to delete a portion of its
 12 water Certificate of Convenience and Necessity. In support of this Application, Litchfield states
 13 as follows:

14 1. Litchfield holds a Certificate of Convenience and Necessity ("CC&N") issued by the
 15 Commission to provide water and wastewater service in portions of Maricopa County, Arizona.

16 2. The City of Goodyear ("Goodyear") is a municipal corporation providing water and
 17 wastewater service to citizens within the City in the vicinity of Litchfield's CC&N.

18 3. Litchfield has an agreement with Goodyear which contemplates Goodyear and
 19 Litchfield realigning their respective utility service areas to more effectively and efficiently serve
 20 the utility customers within those areas.

21 4. Under the agreement, Litchfield would delete from its water CC&N all areas south of
 22 Interstate 10, as described on Attachment A hereto (the "Deleted Area"), which area would then
 23

1 receive water service from Goodyear. The principle developer of that property is Continental
2 Homes. Litchfield has no facilities, customers or agreements with property owners within the
3 Deleted Area.

4 5. In exchange, Goodyear supports this Application of Litchfield to provide water and
5 wastewater service to Section 32, as described on Attachment B hereto, (the "Additional Area").
6 The principle property owners of Section 32 are Globe Corporation, Burton Freireich, Roy F.
7 Ross and Pebble Creek Church. Goodyear has no facilities or customers within the Additional
8 Area at this time.

9 6. Copies of letters from Goodyear, Globe Corporation, Mr. Freireich, Mr. Ross and the
10 Pebble Creek Church supporting the Application are appended hereto as Attachment C.

11 7. A copy of the completed CC&N Extension Application as required by the Commission
12 is attached hereto as Attachment D.

13 8. Based on the Service Agreements with the Developers within the Additional Area,
14 Litchfield will have sufficient water and wastewater capacity to serve the Additional Area.

15 9. Litchfield and Goodyear will provide service to their respective service areas under
16 their existing service rates, charges, terms and conditions, as those rates may be amended by
17 appropriate regulatory action.

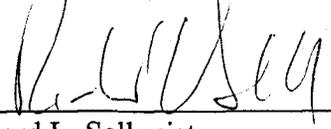
18 10. Litchfield will publish the form of notice attached hereto as Exhibit H to Attachment
19 D in a newspaper of general circulation in Litchfield's service area. The certificate of publication
20 will be docketed upon completion of the publication.

21 WHEREFORE, Litchfield respectfully requests that the Commission hold a hearing on
22 this Application as soon as practicable, and thereafter issue an order granting the requested
23

1 extension of its water and wastewater Certificate of Convenience and Necessity, and further
2 granting the deletion of a portion of its water Certificate of Convenience and Necessity.

3 Respectfully submitted this 8th day of December, 2000.

4 SALLQUIST & DRUMMOND, P.C.

5 By: 

6 Richard L. Sallquist
7 SALLQUIST & DRUMMOND, P.C.
8 2525 E. Arizona Biltmore Circle, Suite 117
Phoenix, AZ 85016
Attorneys for Litchfield Park Service Company

9 The original and ten copies of
10 the foregoing were filed this 8th
day of December, 2000:

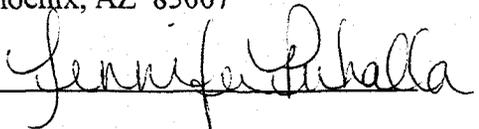
11 Docket Control
12 Arizona Corporation Commission
13 1200 W. Washington St.
Phoenix, AZ 85007

14 Copies of the foregoing were mailed
15 this 8th day of December, 2000 to:

16 Hearing Division
17 Arizona Corporation Commission
18 1200 W. Washington St.
Phoenix, AZ 85007

19 Legal Division
20 Arizona Corporation Commission
21 1200 W. Washington St.
Phoenix, AZ 85007

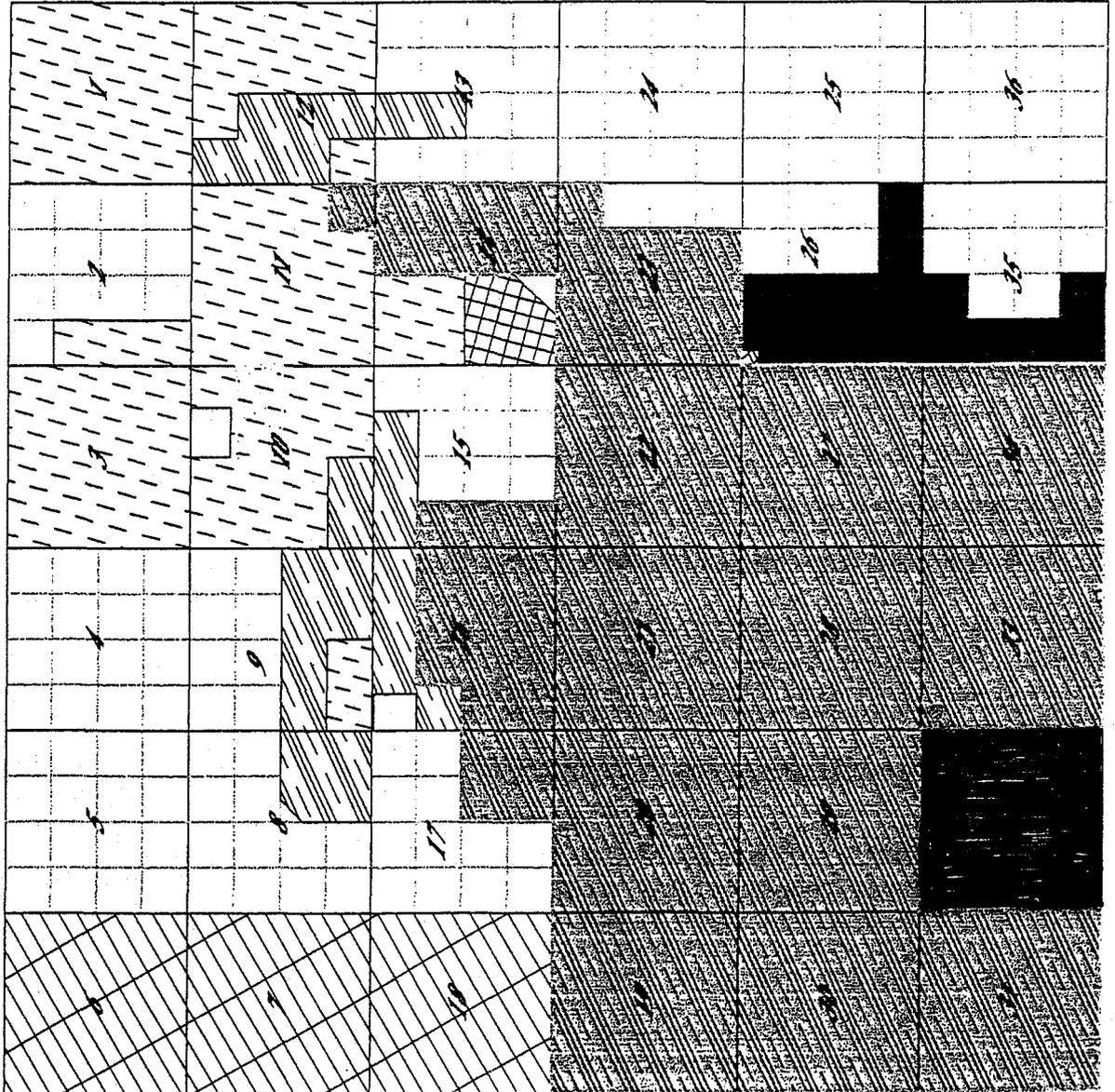
22 Utilities Division
23 Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007



COUNTY = Maricopa

RANGE 1 West

TOWNSHIP 2 North

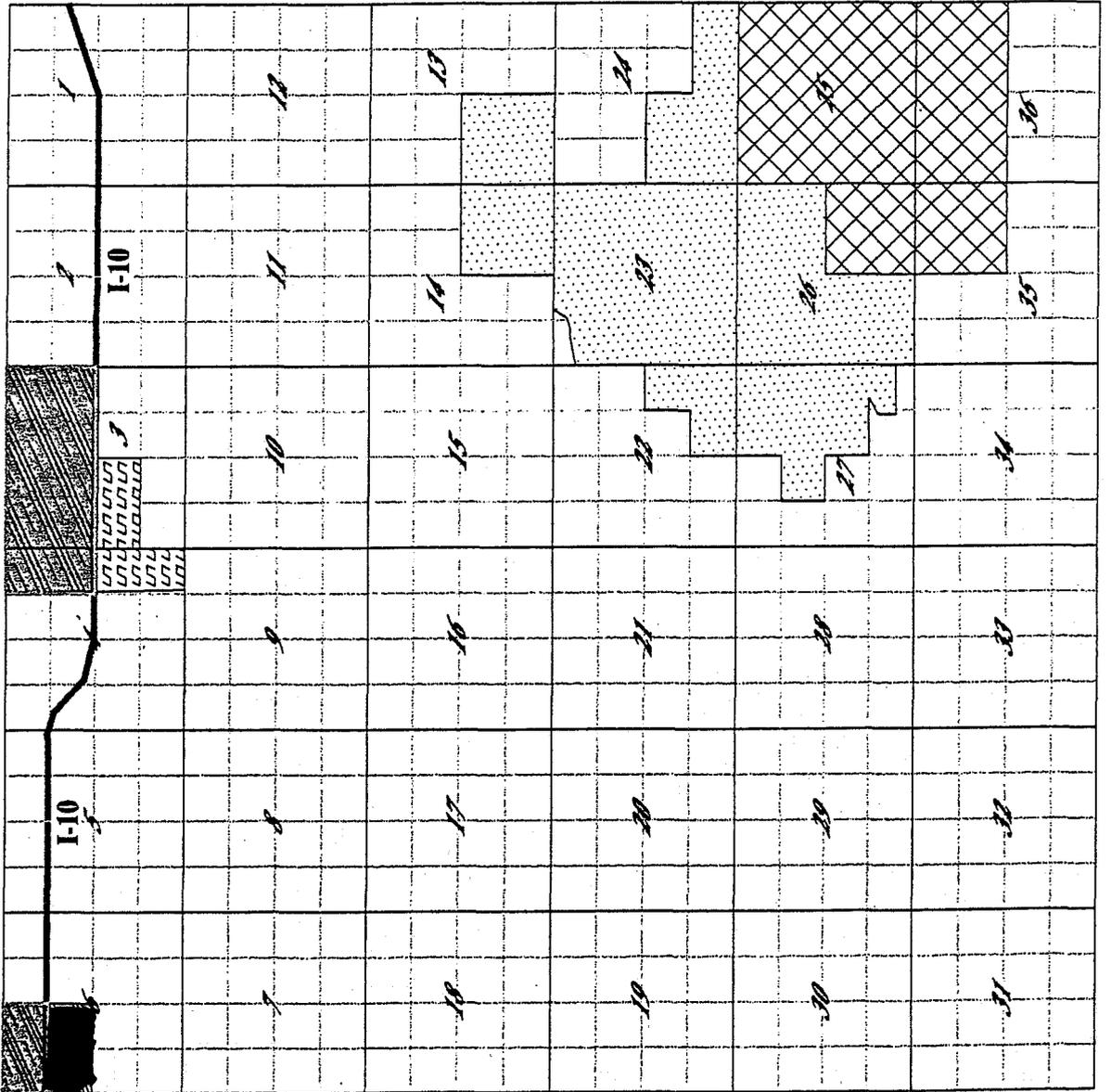


- W-1997 (2)
Adaman Mutual Water Company
- W-1427 (4)
Litchfield Park Service Company
- SW-1428 (4)
Litchfield Park Service Company
- W-2076 (1)
Tierra Buena Water Company
- W-1412 (1)
Valley Utilities Water Company, Inc.
- SW-2422 (1)
American Public Service Company
- Casitas Bonitas Division
- C-0001 (3)
City of Avondale (Nonjurisdictional)
- Requested "Additional Area"
(Water and Wastewater)

COUNTY of Maricopa

RANGE 1 West

TOWNSHIP 1 North

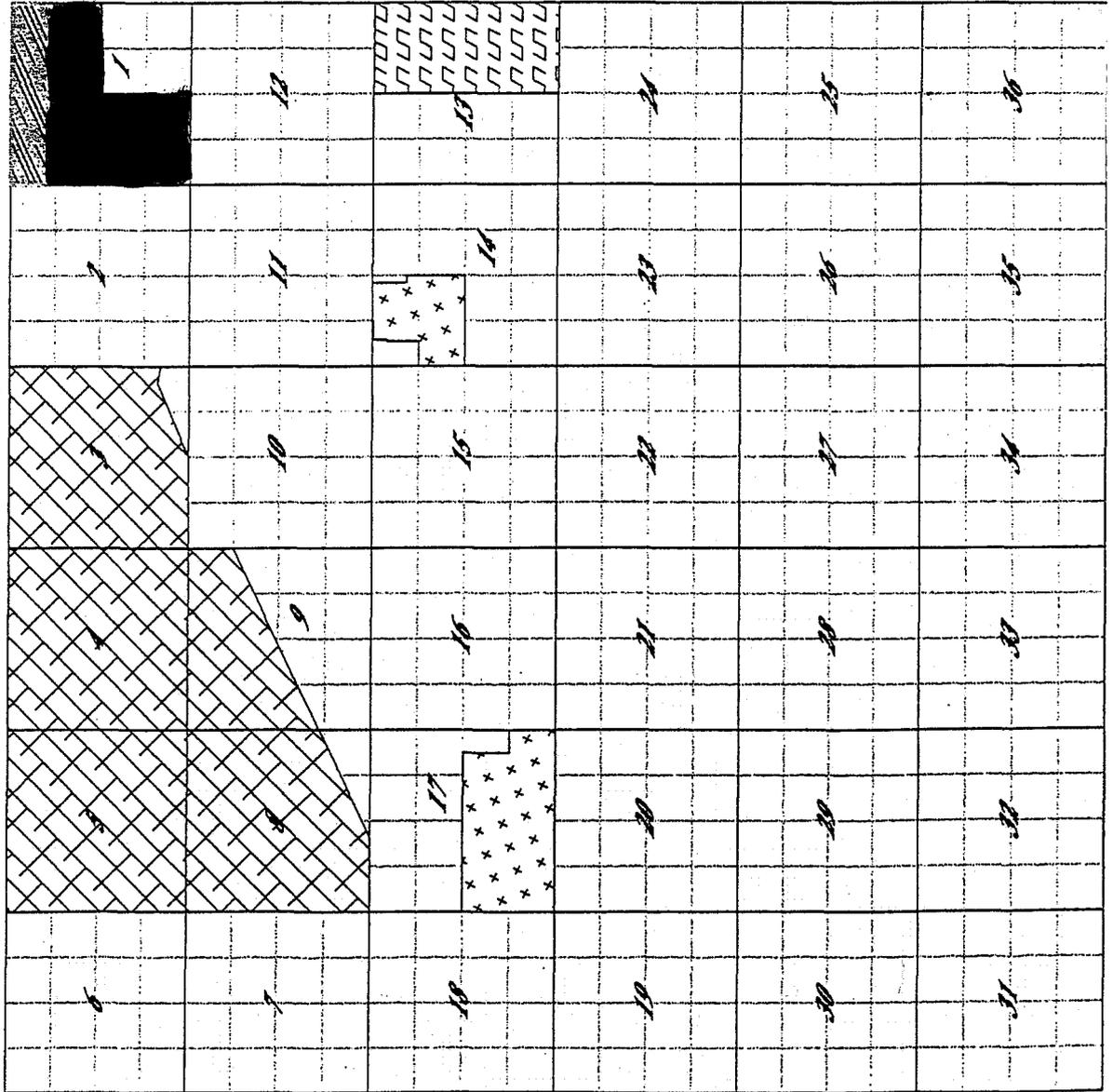


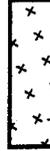
-  W-1427 (4)
Litchfield Park Service Company
-  Sewer
Litchfield Park Service Company
-  W-1808 (2)
Rigby Water Company
-  (2)
City of Avondale
-  (2)
City of Goodyear
- 
Requested "Deletion Area"
(Water Only)

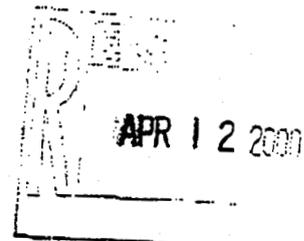
COUNTY = Maricopa

RANGE 2 West

TOWNSHIP 1 North



-  W-1445 (3)
Arizona Water Company (White Tanks?)
-  W-1427 (4)
Litchfield Park Service Company
-  Sewer
SW-1428 (4)
Litchfield Park Service Company
-  W-2451 (4)
Water Utility of Greater Buckeye, Inc.
-  (2)
City of Goodyear (Nonjurisdictional)
-  Requested "Deletion Area"
(Water Only)



April 10, 2000

Mr. Dave Ellis, General Manager
Litchfield Park Service Company
111 W. Wigwam Blvd., Suite B
Litchfield Park, AZ 85340

RE: Globe/Continental Service Area Exchange

Dear Dave:

This is a follow-up to our continuing discussions on the exchange of LPSCO's service territory south of I-10 (Continental Homes) for Section 32 north of McDowell Road and west of Bullard Road (Globe property) in the City's service area.

City Staff has completed its review of the proposed exchange as outlined in your December 13, 1999, letter, and find that the service territory swap is acceptable with no additional consideration required.

Continental Homes is in the processing of initiating their Canyon Trails development in the LPSCO service territory south of I-10, and are anxious to begin constructing new houses. To facilitate their new development, it will be necessary for the City to serve a portion of the Canyon Trails development within the LPSCO service territory prior to the exchange being completed. If acceptable to LPSCO, I would propose that a memorandum of understanding be developed to address issues regarding interim utility service within the LPSCO service area. Details regarding this memorandum should be worked out with Harvey Krauss, Community Development Director.

Sincerely,

CITY OF GOODYEAR

Stephen S. Cleveland
City Manager

Cc: Harvey Krauss, Community Development Director
Dave Ramirez, City Engineer
Dave Maguire, Continental Homes
Ed Bull, Burch & Cracchiollo

ATTACHMENT C

C:\My Documents\Canyon Trails\LPSCO-exchange.doc THE CITY OF GOODYEAR

119 North Litchfield Road • Goodyear, Arizona 85338

1-800-USA-1-PHX

FAX 623-932-1177

TDD 623-932-6500

MAR 20 2000
TELEPHONE (602) 991-0300
FACSIMILE (602) 991-1012

GLOBE CORPORATION

6730 NORTH SCOTTSDALE ROAD, SUITE 250
SCOTTSDALE, ARIZONA 85253-4424

RAYMOND H. CARTER
VICE PRESIDENT REAL ESTATE

March 17, 2000

Dave Ellis
Litchfield Park Service Company
111 W. Indian School Road
Litchfield Park, AZ 85340

Dear Dave:

Goodyear Investors LLC (the new owner of Section 32) and Westcor Partners, our partners for the commercial portion of the property, would like to proceed with the transfer of the water and sewer service area from the City of Goodyear to Litchfield Park Service Company.

Please let me know what we can do to expedite this transfer.

Thanks for your help.

Sincerely,



cc: Harvey Krauss
David Scholl

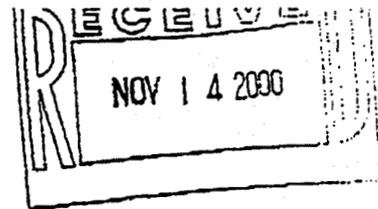
Litchfield Park Service Company
Mr. Matthew Garlick
111 W. Wigwam Blvd, Ste B
Litchfield Park, AZ 85340

Dear Mr. Garlick,

It is my understanding that LPSCO is asking the Arizona Corporation Commission to approve a CC&N application for section 32 in Goodyear. I would like our property included in that CC&N application. Attached is a legal description of the property.

Signed Benton Freireich

Date 11/15/2000



Litchfield Park Service Company
Mr. Matthew Garlick
111 W. Wigwam Blvd, Ste B
Litchfield Park, AZ 85340

Dear Mr. Garlick,

It is my understanding that LPSCO is asking the Arizona Corporation Commission to approve a CC&N application for section 32 in Goodyear. I would like our property included in that CC&N application. Attached is a legal description of the property.

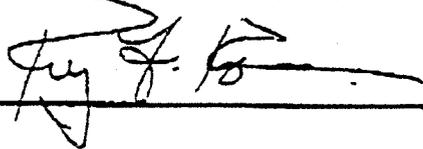
Signed F. A. [Signature] Date 11/10/00
Pastor Pebble Creek Church

Litchfield Park Service Company
Mr. Matthew Garlick
111 W. Wigwam Blvd, Ste B
Litchfield Park, AZ 85340

Dear Mr. Garlick,

It is my understanding that LPSCO is asking the Arizona Corporation
Commission to approve a CC&N application for section 32 in Goodyear.
I would like our property included in that CC&N application. Attached is
a legal description of the property.

Signed

A handwritten signature in black ink, appearing to be "Fry J. To", written over a horizontal line.

Date

A handwritten date "4/12/00" in black ink, written over a horizontal line.

Richard L. Sallquist (002677)
Sallquist & Drummond, P.C.
2525 East Arizona Biltmore Circle
Suite 117
Phoenix, Arizona 85016-2129
(602) 224-9222

Attorneys for Litchfield Park Service Company

CARL J. KUNASEK
Chairman
JIM IRVIN
Commissioner
WILLIAM MUNDELL
Commissioner

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)	DOCKET NO. W-01427A-00-_____
LITCHFIELD PARK SERVICE COMPANY)	SW-01428A-00-_____
FOR AN EXTENSION OF ITS CERTIFICATE)	
OF CONVENIENCE AND NECESSITY FOR)	APPLICATION FOR EXTENSION
THE PROVISION OF WATER SERVICE IN)	OF CERTIFICATE OF
PORTIONS OF MARICOPA COUNTY,)	CONVENIENCE AND
ARIZONA, AND DELETION OF A PORTION)	NECESSITY FOR WATER AND
OF THE WATER CERTIFICATED)	WASTEWATER SERVICE

This Application is substantially in the form prescribed by the Commission.

A. The name, address and telephone number of the Applicant is:

**Litchfield Park Service Company
111 W. Wigwam Blvd., Suite B
Litchfield Park, Arizona 85340**

B. The name, address and telephone number of management contact:

**Dave Ellis, General Manager
111 W. Wigwam Blvd., Suite B
Litchfield Park, Arizona 85340**

C. List the name, address and telephone number of the operator certified by the Arizona Department of Environmental Quality:

6001-00000.39

ATTACHMENT D

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Jerry Ellsworth
111 W. Wigwam Blvd., Suite B
Litchfield Park, Arizona 85340

D. List the name, address and telephone number of the attorney for the Applicant:

Sallquist & Drummond, P.C.
Richard L. Sallquist
2525 East Arizona Biltmore Circle
Suite 117
Phoenix, Arizona 85016
(602) 224-9222

E. Attach the following exhibits that apply to you:

1. Certificate of Good Standing (if corporation)

To be late filed as Exhibit A.

2. Corporate Resolution Authorizing this application (if required by the corporation's Articles of Incorporation)

N/A

F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section description) or **METES AND BOUNDS** survey. References to parcels and docketed will not be accepted.

Please see attached Exhibit B.

G. Attach a detailed map using the form provided as attachment B. Shade and outline the area requested. Also indicate present Certificated area using different colors of shading and outline.

Please see attached Exhibit C.

H. Attach a current balance sheet and profit and loss statement.

Please see attached Exhibit D.

1 I. Please provide the following information:

2 1. Indicate the estimated number of customers, by class, to be served in the new area in
3 each of the next five years:

4 **Please see attached Exhibit E.**

5 **Residential:**

6 First Year ___ Second Year ___ Third Year ___

7 Fourth Year ___ Fifth Year ___

8 **Commercial:**

9 First Year ___ Second Year ___ Third Year -0-

10 Fourth Year ___ Fifth Year -0-

11 **Industrial:**

12 First Year ___ Second Year -0- Third Year -0-

13 Fourth Year ___ Fifth Year -0-

14 **Irrigation:**

15 First Year ___ Second Year -0- Third Year -0-

16 Fourth Year ___ Fifth Year -0-

17 **Other: (specify)**

18 First Year ___ Second Year -0- Third Year -0-

19 Fourth Year ___ Fifth Year -0-

20 2. **(WATER ONLY)** Indicate the projected annual water consumption, in gallons, for
21 each of the customer classes in the new area for each of the next five years:

22 **Residential Per Customer:**

23 First Year _____ Second Year _____

Third Year _____ Fourth Year _____ Fifth Year _____

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Commercial:

First Year _____ Second Year _____
Third Year _____ Fourth Year _____ Fifth Year _____

Industrial:

First Year _____ Second Year _____ Third Year _____
Fourth Year _____ Fifth Year _____

Irrigation:

First Year _____ Second Year _____ Third Year _____
Fourth Year _____ Fifth Year _____

Other: (specify)

First Year _____ Second Year _____ Third Year _____
Fourth Year _____ Fifth Year _____

3. Indicate the total estimated annual operating revenue from the new area for each of the next five years:

First Year \$ _____ Second Year \$ _____ Third Year \$ _____
Fourth Year \$ _____ Fifth Year \$ _____

4. Indicate the total estimated annual operating expenses attributable to the new area for each of the next five years:

First Year \$ _____ Second Year \$ _____ Third Year \$ _____
Fourth Year \$ _____ Fifth Year \$ _____

J. Total estimated cost to construct utility facilities to serve customers in the requested area:

Off-site facilities required to serve the subject area will be included in the water and wastewater service agreements with the developer based on an engineering estimate of the demand and construction cost.

1 **On-site facilities will vary as phases are developed and will be typical ADEQ/ACC**
2 **construction standards.**

3 K. Explain method of financing utility facilities (see paragraph 8 of instructions)

4 **On-site wastewater facilities will be funded by the Developer(s) using non-refundable**
5 **line extension agreements.**

6 **Wastewater Off-Site facilities, and all water facilities, will be funded by the**
7 **Developer(s) using refundable line extension agreements.**

8 L. Estimated starting and completion date of construction of utility facilities:

9 Starting date: _____ Completion date: _____

10 M. Attach the following permits:

11 1. Franchise from either the City or County for the area requested.

12 **To be late filed as Exhibit F.**

13 2. Arizona Department of Environmental Quality or designee's approval to construct
14 facilities.

15 **To be late filed with Line Extension Agreements.**

16 3. Arizona State Land Department approval. N/A

17 4. U.S. Forest Service approval. N/A

18 5. (WATER ONLY) If the area requested is within an Active Management Area,
19 attach a copy of either the utility's Designation of an Assured Water Supply or the
20 developer's Certificate of 100 Year Assured Water Supply issued by the Arizona
21 Department of Water Resources.

22 **To be late filed as Exhibit G.**

23 If area requested is outside an Active Management Area, attach the developer's
Adequacy Statement issued by the Arizona Department of Water Resources if
applied for by the developer. N/A

If area requested is outside an Active Management Area and the developer does not
obtain an Adequacy Statement, provide sufficient detailed information to prove that
adequate water exists to provide water to the area requested. N/A

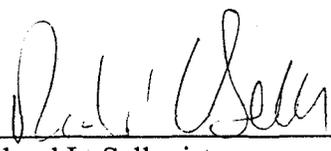
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N. Attached hereto as **Exhibit H** is an Engineering Data Sheet showing the customer count and consumption data for the latest 13 month period.

O. Attached hereto as **Exhibit I** is a form of Notice to Customers and property owners in the area. The signed affidavit of publication will be late filed as an exhibit.

DATED this 9th day of December, 2000.

SALLQUIST & DRUMMOND, P.C.

By 
Richard L. Sallquist
2525 East Arizona Biltmore Circle, Suite 117
Phoenix, Arizona 85016
Attorney for Litchfield Park Service Company

Original and ten copies of the foregoing filed this 9th day of December, 2000, with:

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



LIST OF EXHIBITS

EXHIBIT

DESCRIPTION

- A CERTIFICATE OF GOOD STANDING (Late Filed)
- B LEGAL DESCRIPTION
- C MAP OF EXISTING AND REQUESTED AREA
- D DECEMBER 31, 1999 AUDITED FINANCIAL STATEMENTS
- E CUSTOMER COUNT, REVENUES AND EXPENSES
- F COUNTY FRANCHISE (Late Filed)
- G LETTER OF PHYSICAL AVAILABILITY
- H ENGINEERING DATA SHEET
- I NOTICE TO CUSTOMERS

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ADDITIONAL AREA

Section 32, Township 2 North, Range 1 West, G&SRB&M,
Maricopa County, Arizona,
an area totaling 640 acres.

DELETION AREA

South One Half of the Northwest One Quarter of Section 6,
Township 1 North, Range 1 West, G&SRB&M, Maricopa
County, Arizona, and

South One Half of the North One Half, and the Southwest
One Quarter of Section 1, Township 1 North, Range 2
West, G&SRB&M, Maricopa County, Arizona,
an area totaling 400 acres.

EXHIBIT B

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Please see Attachments A & B
to the Application

EXHIBIT C

LITCHFIELD PARK SERVICE COMPANY
(A Wholly-Owned Subsidiary of SunCor Development Company, Inc.)

STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999	1998
UTILITY OPERATIONS:		
Operating revenues:		
Water	\$ 1,404,957	\$ 1,122,188
Sewer	1,420,123	1,038,932
Miscellaneous income	28,332	
	<u>2,853,412</u>	<u>2,161,120</u>
Cost of revenues:		
Water	270,139	204,651
Sewer	633,742	587,998
	<u>903,881</u>	<u>792,649</u>
Total cost of goods sold	<u>903,881</u>	<u>792,649</u>
Gross margin	<u>1,949,531</u>	<u>1,368,471</u>
OPERATING EXPENSES:		
Depreciation and amortization	276,637	330,456
Outside services	351,024	365,820
Salaries and benefits	298,501	273,027
Other taxes	116,282	100,165
General and administrative	69,335	68,214
Rent (Note 6)	42,850	39,002
Income taxes (Note 4)	275,300	69,000
	<u>1,429,929</u>	<u>1,245,684</u>
Total utility operating expenses	<u>1,429,929</u>	<u>1,245,684</u>
NET UTILITY OPERATING INCOME	<u>519,602</u>	<u>122,787</u>
OTHER INCOME (EXPENSE):		
Interest income	123,893	7,799
Other	366	(147)
Interest expense	(230,775)	(27,065)
	<u>(106,516)</u>	<u>(19,413)</u>
Total other expense	<u>(106,516)</u>	<u>(19,413)</u>
NET INCOME	<u>\$ 413,086</u>	<u>\$ 103,374</u>

See notes to financial statements.

		Year 1	Year 2	Year 3	Year 4	Year 5
Water	I.1.					
	Residential	10	218	530	842	1154
	Commercial		3	8	13	18
	Irrigation	0	0	0	0	0
I.2						
Residential	160,200	11,641,200	28,302,000	44,962,800	61,623,600	
Commercial	-	9,866,680	23,987,800	38,108,920	52,230,040	
Irrigation	0	0	0	0	0	
I.3	Revenue	327	34,524	84,676	134,558	184,440
I.4	Expense	239	25,203	61,814	98,227	134,641
Sewer	I.1.					
	Residential	10	218	530	842	1154
	Commercial		5	10	15	20
	Irrigation	0	0	0	0	0
I.3	Revenue	690	75,118	182,562	290,005	397,449
I.4	Expense	504	54,836	133,270	211,704	290,138

EXHIBIT E

ARIZONA CORPORATION COMMISSION

Utilities Division

1200 WEST WASHINGTON PHOENIX ARIZONA 85007
 PHONES: 602 542-4251 1-800-222-7000

**EXTENSION AGREEMENT
 DATA SHEET**

EXTENSION AGREEMENT WITH:

COMPANY NAME: **Litchfield Park Service Company**
 DIVISION:
 W.A. No.:
 ACC NO.: **W - 01427**

NUMBER OF PROPOSED CUSTOMERS:

PROJECTED PEAK USAGE (DOMESTIC GPM):

NUMBER OF CUSTOMERS BY MONTH FOR THE LAST 12 MONTHS	YEAR	
	1999	2000
JANUARY		4,755
FEBRUARY		4,857
MARCH		4,906
APRIL		4,963
MAY		5,096
JUNE		5,144
JULY		5,189
AUGUST		5,275
SEPTEMBER		5,333
OCTOBER		5,386
NOVEMBER	4,662	5,471
DECEMBER	4,724	

TOTAL GALLONS SOLD PER MONTH FOR LAST 12 MONTHS*	YEAR	
	1999	2000
JANUARY		63,395
FEBRUARY		85,317
MARCH		67,245
APRIL		77,613
MAY		144,085
JUNE		125,100
JULY		117,692
AUGUST		146,472
SEPTEMBER		126,527
OCTOBER		121,944
NOVEMBER	113,554	69,686
DECEMBER	79,979	

WELL PUMP CAPACITY (GPM) **							
GPM	Well #	GPM	Well #	GPM	Well #	GPM	Well #
612	55-	611680					
1050	55-	611678					
1480	55-	611677					
1382	55-	611720					
1210	55-	611717					

*** STORAGE CAPACITY (GALLONS):

BOOSTER PUMP CAPACITY (GPM)							
GPM	BOOSTER	GPM	BOOSTER	GPM	BOOSTER	GPM	BOOSTER

Will additional well capacity be needed as a result of this agreement? Yes No

Will new booster stations be necessary to serve the proposed addition? Yes No

* Reported in 10³ gallons
 ** ADEQ designation
 *** Include ground storage

BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK
CHAIRMAN
JIM IRVIN
COMMISSIONER
WILLIAM MUNDELL
COMMISSIONER

IN THE MATTER OF THE APPLICATION)
OF LITCHFIELD PARK SERVICE)
COMPANY FOR THE SALE OF ASSETS)
AND CANCELLATION OF THE)
CERTIFICATE OF CONVENIENCE AND)
NECESSITY TO PROVIDE WATER)
SERVICE IN PORTIONS OF MARICOPA)
COUNTY, ARIZONA.)
_____)

DOCKET NO. W-01427A-00-_____
SW-01428A-00-_____

AFFIDAVIT OF PUBLICATION

STATE OF ARIZONA)
)
County of Maricopa)

The undersigned being first duly sworn deposes and says as follows:

1. I am David Ellis, General Manager of Litchfield Park Service Company. My business address is 111 W. Wigwam Blvd., Suite B, Litchfield Park, Arizona 85340.

2. On _____, I caused to be published in the _____ Public Notice of Application as set forth on the Publisher's Affidavit as attached hereto as Attachment One.

Further affiant sayeth not.

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SUBSCRIBED AND SWORN to before me this ____ day of _____, 2000, by David

Ellis, General Manager of Litchfield Park Service Company,

Notary Public

My Commission Expires:

**PUBLIC NOTICE OF AN APPLICATION FOR AN
EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
BY LITCHFIELD PARK SERVICE COMPANY**

Litchfield Park Service Company has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide water and wastewater service, and deletion its water certificated area south of Interstate 10. Our records indicate that you are either currently a customer of Litchfield Park Service Company or are a property owner in the proposed extension or deletion area. If the extension application is granted, Litchfield Park Service Company would be the exclusive provider of water and wastewater service to the proposed area. Litchfield Park Service Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. If the deletion is granted, water service to that area would be provided by the City of Goodyear. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street, and at 111 W. Wigwam Blvd., Suite B, Litchfield Park, Arizona 85340.

The Commission will hold a hearing on this matter. As a property owner or customer you may have the entitled to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

SALLQUIST & DRUMMOND, P.C.
ATTORNEYS AT LAW
2525 EAST ARIZONA BILTMORE CIRCLE
SUITE A-117
PHOENIX, ARIZONA 85016-2129



RICHARD L. SALLQUIST

July 17, 2001

PHONE (602) 224-9222
FACSIMILE (602) 224-9366
E-MAIL dick@sd-law.com

HAND DELIVERED

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

RECEIVED
2001 JUL 17 A 10 55
AZ CORP COMMISSION
DOCUMENT CONTROL

Re: Litchfield Park Service Company; Docket Nos. W-01427A & W-01428A 00-1004

Dear Ms. Cole:

The Procedural Order dated June 29, 2001, required the Company to publish notice of the subject hearing.

Attached please find the original and 10 copies of that Affidavit of Publication in compliance with the Procedural Order.

In the event we can provide any additional information, please do not hesitate to call.

Sincerely,

Richard L. Sallquist
For the Firm

Enclosure

cc: Dave Ellis

THE RECORD REPORTER

~ SINCE 1914 ~

1505 N. Central Avenue, Suite 200, Phoenix, Arizona 85004-1725
Telephone (602) 417-9900 / Fax (602) 417-9910

STEPHANIE SAWYER
SALLQUIST & DRUMMOND, P.L.L.C.
2525 E. ARIZONA BILTMORE CIR.
STE. 117
PHOENIX, AZ 85016- 212

RR#: 270083

phone number 602/542-3931, E-mail
shood@cc.state.az.us. Requests
should be made as early as possible
to allow time to arrange the
accommodation.
07/11/01

RR- 270083#

AFFIDAVIT OF PUBLICATION

Reference #:

Notice Type: MN Miscellaneous Notice

Ad Description: HEARING FOR LITCHFIELD PARK SERVICE COMPANY

**PUBLIC NOTICE OF THE HEARING
FOR LITCHFIELD PARK SERVICE
COMPANY, FOR AN EXTENSION
AND DELETION OF A PORTION OF
ITS CERTIFICATES OF
CONVENIENCE AND NECESSITY**

On December 8, 2001, Litchfield Park Service Company ("Company" or "Applicant") filed an application for an extension and a deletion of a portion of its Certificates for certain areas located in Maricopa County, Arizona. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix, at 1200 West Washington Street, Phoenix, Arizona and at the Applicant's office, 111 W. Wigwam Blvd., Suite B, Litchfield Park, Arizona 85340. The Commission will hold a hearing on this matter commencing on August 22, 2001, at 9:30 a.m. at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing.

I, WENDY COOPER, am authorized by the publisher as agent to make this affidavit. Under oath, I state that the following is true and correct.

THE RECORD REPORTER is a newspaper of general circulation published Monday, Wednesday and Friday except legal holidays, in the County of Maricopa, State of Arizona. The copy hereto attached is a true copy of the advertisement as published on the following dates:

07/11/01

Wendy Cooper

Subscribed and sworn to before me on the 11th day of July, 2001

Leona J. Gibson



Notary Public State of Arizona
Maricopa County
Leona J. Gibson
Expires March 1, 2003

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written motion to intervene with the Commission, which motion should be sent to Applicant or its counsel and to all parties of record, and which, at the minimum, shall contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer of Applicant, a shareholder of Applicant, a competitor, etc.).
3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

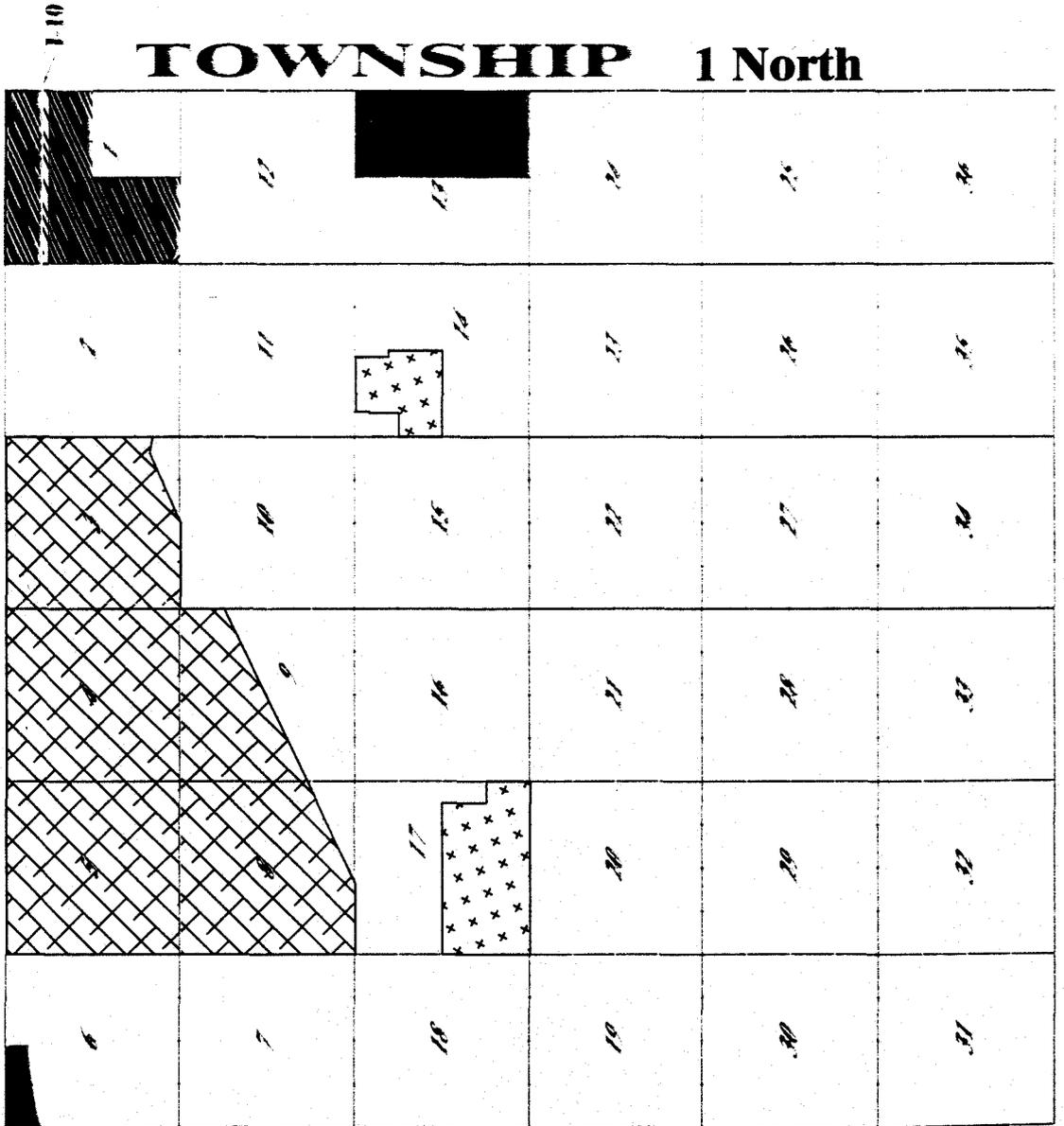
The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before July 26, 2001. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any customer from appearing at the hearing and making a statement on such customer's own behalf.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may write the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000 or appear at the hearing and make comment.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Shelly Hood, ADA Coordinator, voice

COUNTY: Maricopa

RANGE 2 West



-  W-1445 (3)
Arizona Water Company (White Tanks?)
-  W-1427 (4)
Litchfield Park Service Company
-  SW-1428 (4)
Litchfield Park Service Company
-  W-2451 (4)
Water Utility of Greater Buckeye, Inc.
-  C-0006 (2)
City of Goodyear (Nonjurisdictional)
- 
Citizens Communications Company
Docket No. W-1032-00-1043
Citizens Water Services Company
Docket No. SW-3454-00-1043
Application for Extension
- 
Litchfield Park Service Company
Docket No. W-1427-00-1004
Application for Deletion to
City of Goodyear

TOWNSHIP 1 North



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ADDITIONAL AREA

Section 32, Township 2 North, Range 1 West, G&SRB&M,
Maricopa County, Arizona,
an area totaling 640 acres.

DELETION AREA

South One Half of the Northwest One Quarter of Section 6,
Township 1 North, Range 1 West, G&SRB&M, Maricopa
County, Arizona, and

South One Half of the North One Half, and the Southwest
One Quarter of Section 1, Township 1 North, Range 2
West, G&SRB&M, Maricopa County, Arizona,
an area totaling 400 acres.

EXHIBIT B

1 Richard L. Sallquist, Esq. (002677)
SALLQUIST & DRUMMOND, P.C.
2 2525 E. Arizona Biltmore Circle, Suite 117
Phoenix, Arizona 85016
3 Telephone: (602) 224-9222 Fax: (602) 224-9366
Attorneys for Litchfield Park Service Company

4 **BEFORE THE ARIZONA CORPORATION COMMISSION**

5 IN THE MATTER OF THE APPLICATION OF) DOCKET NOS. W-01427A-00-1004
6 LITCHFIELD PARK SERVICE COMPANY FOR) SW-01428A-00-1004
AN EXTENSION OF ITS CERTIFICATE OF)
7 CONVENIENCE AND NECESSITY TO) **APPLICANT'S RESPONSE TO**
PROVIDE WATER AND WASTEWATER) **STAFF REPORT**
8 SERVICE IN MARICOPA COUNTY, ARIZONA,)
AND DELETION OF A PORTION OF THE)
9 WATER CERTIFICATED.)

10 1. On December 8, 2000, Litchfield Park Service Company ("LPSCO" or the "Company")
11 filed an application to extend and delete portions of this Certificate of Convenience and
12 Necessity.

13 2. On May 14, 2001, the Commission Staff filed its Staff Report recommending approval of
14 the Application with certain specific recommendations.

15 3. On June 26, 2001 the Administrative Law Judge issued an Amended Procedural Order
16 ordering, among other things, "that any objections to the Staff Report and associated exhibits to
17 be presented at hearing by Applicant shall be reduced to writing and filed on or before 4:00 p.m.
18 on August 2, 2001."

19 4. Upon review of the Staff Report, LPSCO has objections to two specific recommendations
20 contained in the Staff Report.

21 5. The fourth recommendation on Page 3 of the Staff Report, recommends that the decision
22 condition the approval on the Company docketing the developer's Certificate of Assured Water
23

1 Supply (the "CAWS") within 180 days of the effective date of the Decision. The Company is of
2 the opinion that period is not sufficient for the developer to obtain the CAWS. As the
3 Commission is aware, there are numerous approvals a developer must receive from zoning
4 authorities, Arizona Department of Environmental Quality, and the Arizona Department of Real
5 Estate prior to obtaining the Arizona Department of Water Resources CAWS. The 180 day
6 period is insufficient for the developer to obtain these approvals and the CAWS. Further, the
7 Company is of the believe that the Commission typically allows at least 365 days for a company
8 to docket that requirement.

9 6. Therefore, the Company respectfully requests that the Decision allow 365 days from the
10 effective date of the Decision to file the Certificate of Assured Water Supply.

11 7. The Staff Report also recommends that the Company file a County Franchise within 365
12 days of the effective date of the Decision. That franchise cannot be provided. The subject area is
13 located within the City of Goodyear, and therefore Maricopa County will not issued a franchise
14 for that area. The Staff may have been misled by LPSCO's response to Paragraph M1 of the
15 standard application (Attachment D to the Application), which indicates the "franchise" would
16 be a late filed exhibit.

17 8. The Company serves other areas within the City of Goodyear, and has established a good
18 working relationship and procedure with the City when facilities must be placed in the City's
19 rights-of-way That procedure was restated in the Agreement with the City regarding "exchange"
20 of service areas subject to this Application, which Agreement has previously been provided to
21 the Staff, and a copy of which is attached hereto. The Company is of the opinion the intent of the
22 Commission requirement is met with that Agreement .

1 9. Therefore, LPSCO proposes that the filing requirement be modified from "County
2 Franchise" to "City License"

3 10. All other conclusions and recommendation of the Staff Report are acceptable to LPSCO.

4 Respectfully submitted this 17th day of July, 2001.

5 SALLQUIST & DRUMMOND, P.C.

6 By: 

7 Richard L. Sallquist

8 SALLQUIST & DRUMMOND, P.C.

9 2525 E. Arizona Biltmore Circle, Suite 117

10 Phoenix, AZ 85016

11 Attorneys for Litchfield Park Service Company

12 The original and ten copies of
13 the foregoing were filed this 17th
14 day of July, 2001:

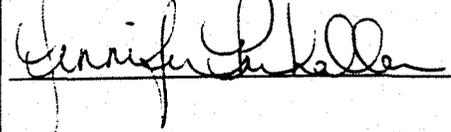
15 Docket Control
16 Arizona Corporation Commission
17 1200 W. Washington St.
18 Phoenix, AZ 85007

19 Copies of the foregoing were mailed
20 this 17th day of July, 2001 to:

21 Hearing Division
22 Arizona Corporation Commission
23 1200 W. Washington St.
Phoenix, AZ 85007

Legal Division
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Utilities Division
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007



**WATER AND WASTE WATER SERVICE MEMORANDUM OF
UNDERSTANDING**

This Memorandum of Understanding is entered into this 14th day of ~~July~~ ^{August}, 2000 between the City of Goodyear, an Arizona municipal corporation ("Goodyear" or the "City"), and Litchfield Park Service Company, an Arizona corporation ("LPSCO"), regarding certain water and wastewater service.

WHEREAS, Goodyear provides numerous services to its residents, including water and wastewater service, and

WHEREAS, LPSCO is a public service corporation authorized by the Arizona Corporation Commission (Commission) to provide water and wastewater service in the vicinity of the City; and

WHEREAS, certain areas within the LPSCO Certificate of Convenience and Necessity (CC&N), would best be served by Goodyear; and

WHEREAS, certain non-certificated areas adjacent to LPSCO's existing certificated area would most efficiently and effectively be provided water and wastewater service by LPSCO; and

WHEREAS, the Parties agree that this realignment of service areas would be in the best interest of the Parties, present and future utility customers, and the public.

NOW, THEREFORE, it is mutually covenanted and agreed by and between the Parties hereto as follows:

- 1 CC&N Application. LPSCO will, within thirty days, file an application with the Commission requesting modification to its water and wastewater CC&N, specifically to delete the water certificate for those portions of Section 1, Township 1 North, Range 2 West lying south of Interstate Highway 10, and those portions of Section 6, Township 1 North, Range 1 West lying south of Interstate Highway 10, (collectively referred to as "Canyon Trails" and described on Exhibit A hereto) (LPSCO does not hold the wastewater certificate for that area). LPSCO shall further apply to the Commission seeking authority to provide water and wastewater service to Section 32, Township 2 North, Range 1 West (the "Section 32 Property" and described on Exhibit B hereto). The City hereby provides its consent for LPSCO to obtain the CC&N within the city limits of the City. The City will cooperate with LPSCO in all reasonable requests to assist LPSCO in obtaining the requested CC&N.

- 2 Interim Period. It is understood by the Parties that the Commission will require approximately six months to process the application, hold an evidentiary hearing and issue its decision in the subject application. During the time from the execution of this Agreement until the Commission decision becomes effective (the "Interim Period") it is agreed that the City may commence water service to Canyon Trails

pursuant to the City's terms, conditions, rates, and charges, and that LPSCO may commence water and wastewater service to the SECTION 32 pursuant to LPSCO's terms, conditions, rates and charges.

- 3 Construction Responsibility. During the Interim Period, both Parties shall be responsible for the construction, operation, and maintenance of any facilities necessary to provide service to their respective Operating Areas (Canyon Trails for Goodyear and the SECTION 32 for LPSCO), and shall collect and receive all revenues for services provided by them at their respective rates and charges.
- 4 LPSCO Service. Following the Commission's granting of the CC&N for the SECTION 32 to LPSCO, LPSCO shall provide water and wastewater service to SECTION 32 in accordance with the Commission's rules and regulations, the Arizona Department of Water Resources ("ADWR") and all other applicable agencies having jurisdiction over the Facilities or services. LPSCO will utilize good utility practice and its best efforts to provide said services.
- 5 Applicable Rates. Services provided by LPSCO shall be provided under the terms, conditions, rates, and charges for water service which are currently on file with the Commission, subject to change from time to time upon application of LPSCO and as approved by the Commission.
- 6 Goodyear Service. Following the Commission's deletion of Canyon Trails from the LPSCO's water CC&N, Goodyear will provide water and wastewater service to that area consistent with the service provided elsewhere in the City.
- 7 Facilities and Net Revenue Conveyance. In the event the Commission does not grant the deletion and expansion as requested, the Parties will work diligently with each other and the developers to provide immediate and smooth transition back to their respective system, including, conveyance to the other all new plant within their respective Operating Areas and transfer any obligation associated with such plant to the other Party. Any net operating income or surplus from such operations shall be retained by the Party providing the service as full compensation for providing that service. Any net operating loss shall remain the responsibility of the Party providing said service.
- 8 City License. The City shall provide to LPSCO, prior to the construction of any facilities in the Section 32 Property, a license from the City to install LPSCO's facilities within the dedicated rights-of-way in the portions of the City necessary for LPSCO to serve the Section 32 Property.
- 9 Title. No provision of this Agreement shall create any right, title or interest by one Party in the other Party's utility system or facilities.
- 10 Conditions Precedent. The Parties acknowledge and agree that the provisions of this Agreement shall be contingent upon the City Council of the City adopting a Resolution approving this Agreement.

- 11 Term. This Agreement shall remain in effect for one year, until the Commission grants the revised CC&N, or until it is either breached or is terminated by mutual written consent of the Parties. This Agreement may be renewed by the mutual written consent of the Parties. Utility service obligations to the areas established under this Agreement shall survive the term of this Agreement.
- 12 Post Agreement Service. It is agreed that following the required Commission and City Council approval, and after the expiration of this Agreement, LPSCO and Goodyear will continue to provide water and wastewater service to the service areas established in this Agreement.
- 13 Conflict of Interest Statutes. This Agreement is subject to, and may be terminated by, either Party in accordance with the provisions of A.R.S. § 38-511.
- 14 Time of Essence. Time is of the essence of each and every provision of this Agreement.
- 15 Severability. If any provision of this Agreement is declared void or unenforceable (or is construed as requiring either Party to do any act in violation of any constitutional provision, law regulation, municipal code or municipal charter), in whole or in part, such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect; provided, however, that this Agreement shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed Agreement provides essentially the same rights and benefits (economic and otherwise) to the Parties as if such severance and reformation were not required. The Parties further agree, in such circumstances, to do all acts and to execute all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Agreement, as reformed.
- 16 Attorneys' Fees. If any action is brought by either party to this Agreement with respect to its rights under this Agreement, the prevailing party or parties shall be entitled to attorney fees and costs from the party as determined by a court of law.
- 17 No Third Party Beneficiaries. No person or entity shall be a third party beneficiary to this Agreement.
- 18 Exhibits and Recitals. All Exhibits attached to this Agreement and all of the recitals set forth above are incorporated into and made an integral part of this Agreement for all purposes by this reference.
- 19 Integration. This Agreement (including the Exhibits hereto) constitutes the entire agreement between the Parties with respect to, and supersedes any prior agreement, understanding, negotiation or representation regarding, the subject matter of this Agreement. There are no representations, warranties, understandings or agreements other than those expressly set forth in this Agreement. The Parties expressly acknowledge and agree that any discussion outlines utilized during the course of negotiations do not constitute binding agreements of the Parties and shall not be

utilized to interpret or construe any provision of this Agreement.

- 20 Further Assurances. Each Party agrees to perform such further acts and to execute and deliver such additional agreements, documents, acknowledgments and instruments as any other Party may reasonably require to consummate, evidence, confirm or carry out the transactions contemplated by this Agreement.
- 21 Construction and Section Headings. Whenever the context of this Agreement requires, the singular shall include the plural, and the masculine, neutral or feminine shall include each of the other. The Section headings contained in this Agreement are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.
- 22 Relationship of Parties. No partnership, joint venture or other business relationship is established among the Parties to this Agreement. Except as expressly provided in this Agreement, no Party shall be liable for any acts, omissions or negligence on the part of any other Party or such Party's employees, agents, independent contractors, agents or successors-in-interest resulting in either personal injury, economic loss, or property damage to any individual or entity.
- 23 Consents and Approvals. Wherever this Agreement requires or permits the consent or approval of a Party to any act, document, or other matter, such consent or approval may be given or denied by such Party, in its reasonable discretion, unless this Agreement expressly provides otherwise.
- 24 Inurement. Except as provided in this Agreement to the contrary, all of the terms, covenants and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, each Party and the successors and assigns of such Party.
- 25 Amendment. The terms, conditions and representations of the Parties contained in this Agreement may not be orally amended, modified or altered. This Agreement may be modified only if done in writing, signed by the Parties.
- 26 Notice. All notices, claims, requests, and demands under this Agreement are to be in writing and served in person or via certified (return receipt requested) United States mail, postage prepaid, addressed as follows:

If to the City: City of Goodyear
Attn.: City Manager
119 N. Litchfield Road
Goodyear, Arizona 85338

with copy to: City of Goodyear Attorney's Office
117 N. Litchfield Road
Goodyear, Arizona 85338

If to LPSCO: Dave Ellis, General Manager
Litchfield Park Service Company
111 W. Wigwam Blvd., Suite B
Litchfield Park, Arizona 85340

with copy to: Richard L. Sallquist, Esq.
Sallquist & Drummond, P.C.
2525 E. Arizona Biltmore Cr., Suite 117
Phoenix, Arizona 85016

or at such other address as shall be determined in writing by the Parties. Service by such mail will be deemed to occur on the postmark date borne by the return receipt.

Routine communications, written or telephonic, between the City and LPSCO shall be directed for the City, to the Water Operations Director (623) 932-1637 and for LPSCO, to the LPSCO General Manager (623) 935-9367. The City and LPSCO shall each have the affirmative duty to notify each other in writing when notice shall be given to a different person or address. No payment required under this Agreement shall be deemed made until actually received by the intended payee.

27 Effectiveness of Agreement. This Agreement shall become effective upon the date of the approvals requested under Section __ hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement this ___ day of July, 2000.

LITCHFIELD PARK SERVICE COMPANY,
an Arizona corporation

CITY OF GOODYEAR
an Arizona municipal corporation

By: David W. Ellis

By: William O. Paul
Mayor

Its: General Manager

ATTEST: Dee Cochran
City Clerk

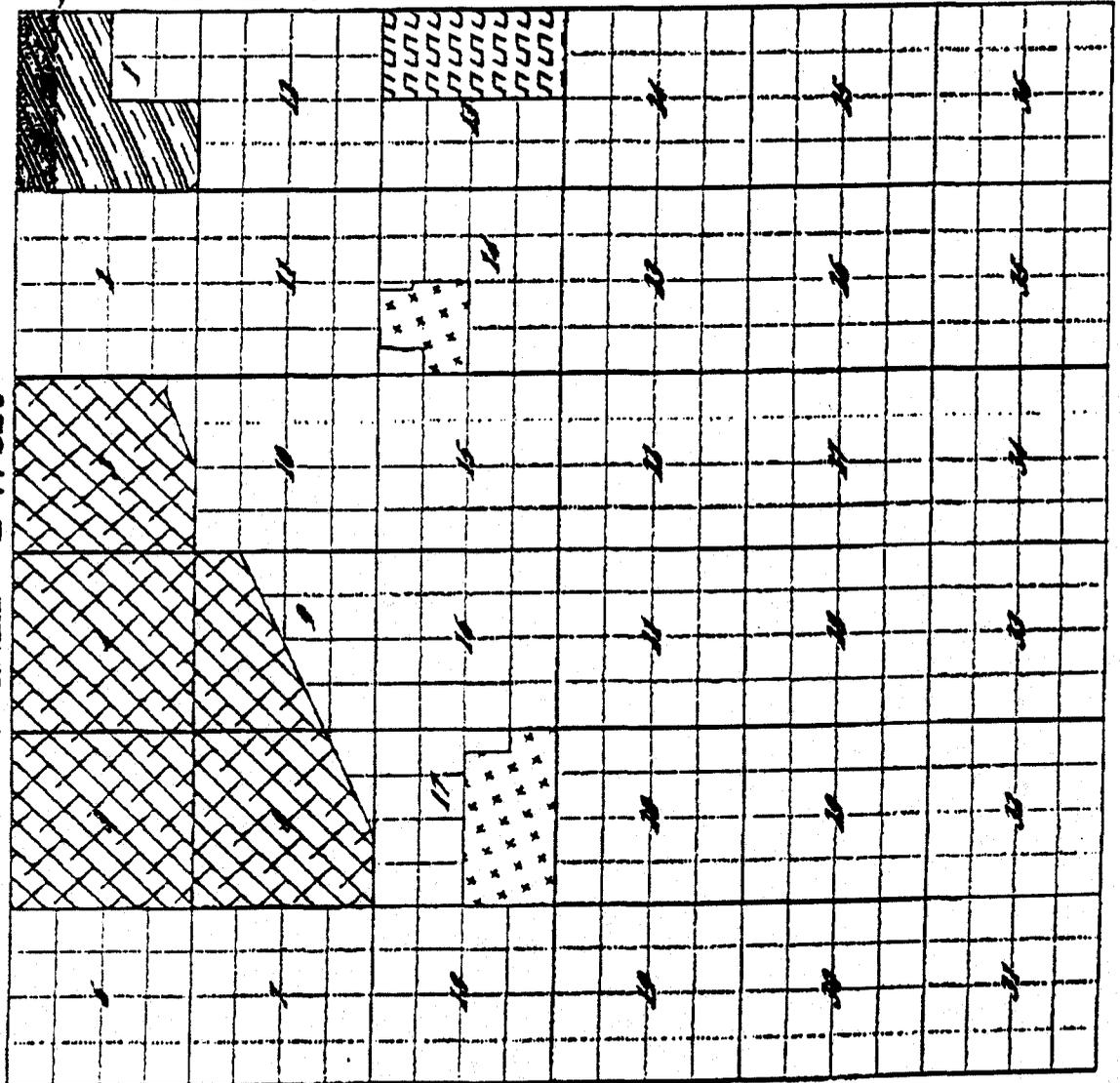
Approved as to form:

John H. Quinn
Goodyear City Attorney

COUNTY: Maricopa

RANGE 2 West

TOWNSHIP 1 North



-  W-1445 (3)
Arizona Water Company (White Tanks?)
-  W-1427 (4)
Litchfield Park Service Company
-  SW-1428 (4)
Litchfield Park Service Company
-  W-2451 (4)
Water Utility of Greater Buckeye, Inc.
-  (2)
City of Goodyear (Nonjurisdictional)

EXHIBIT A-1

Map No.

COUNTY of Maricopa

RANGE 1 West

TOWNSHIP 1 North

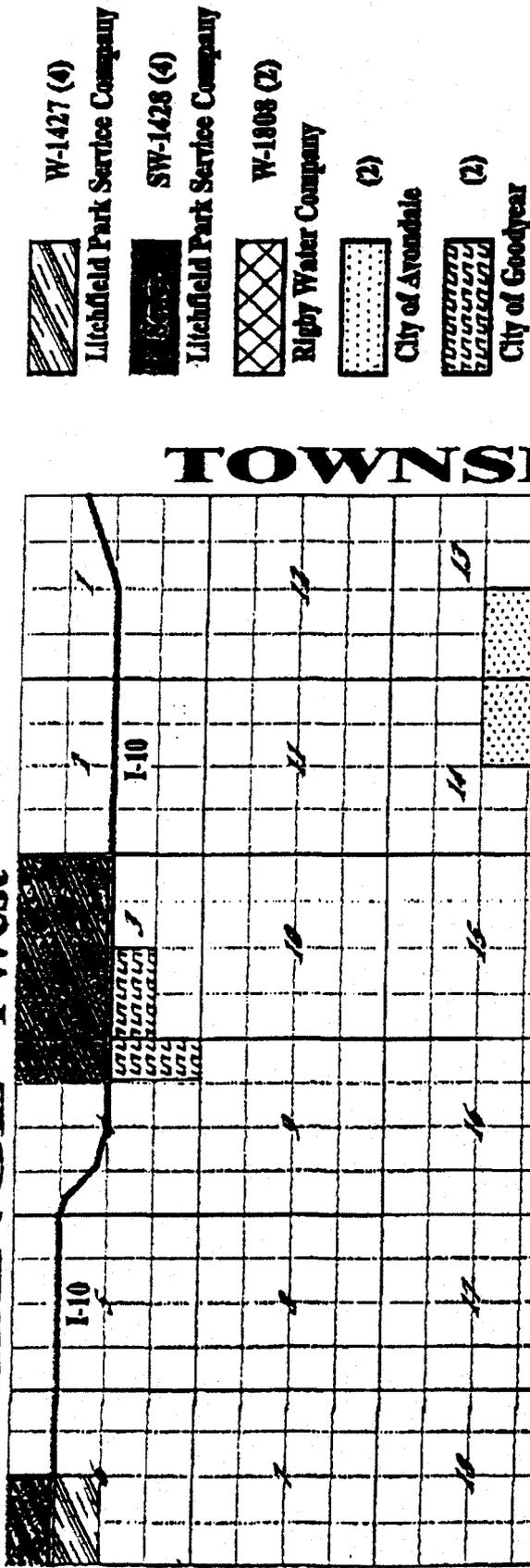


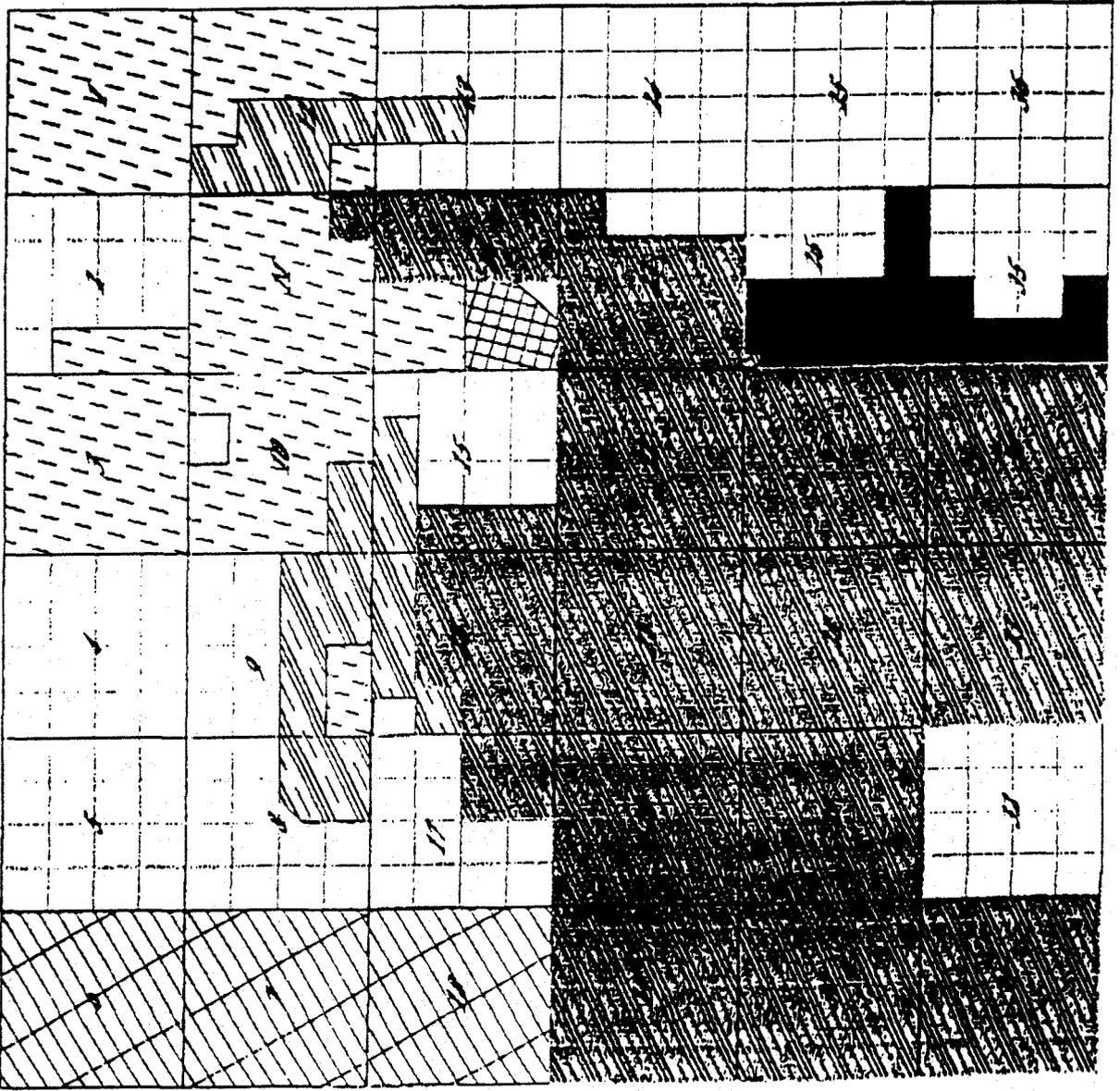
EXHIBIT A-2

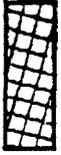
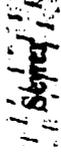
Map No. 1.

COUNTY of Maricopa

RANGE 1 West

TOWNSHIP 2 North



-  W-1997 (2)
Adaman Mutual Water Company
-  W-1427 (4)
Litchfield Park Service Company
-  SW-1428 (4)
Litchfield Park Service Company
-  W-2076 (1)
Tierra Buena Water Company
-  W-1412 (1)
Valley Utilities Water Company, Inc.
-  SW-2422 (1)
American Public Service Company
Casitas Bonitas Division
-  C-0001 (3)
City of Avondale (Nonjurisdictional)



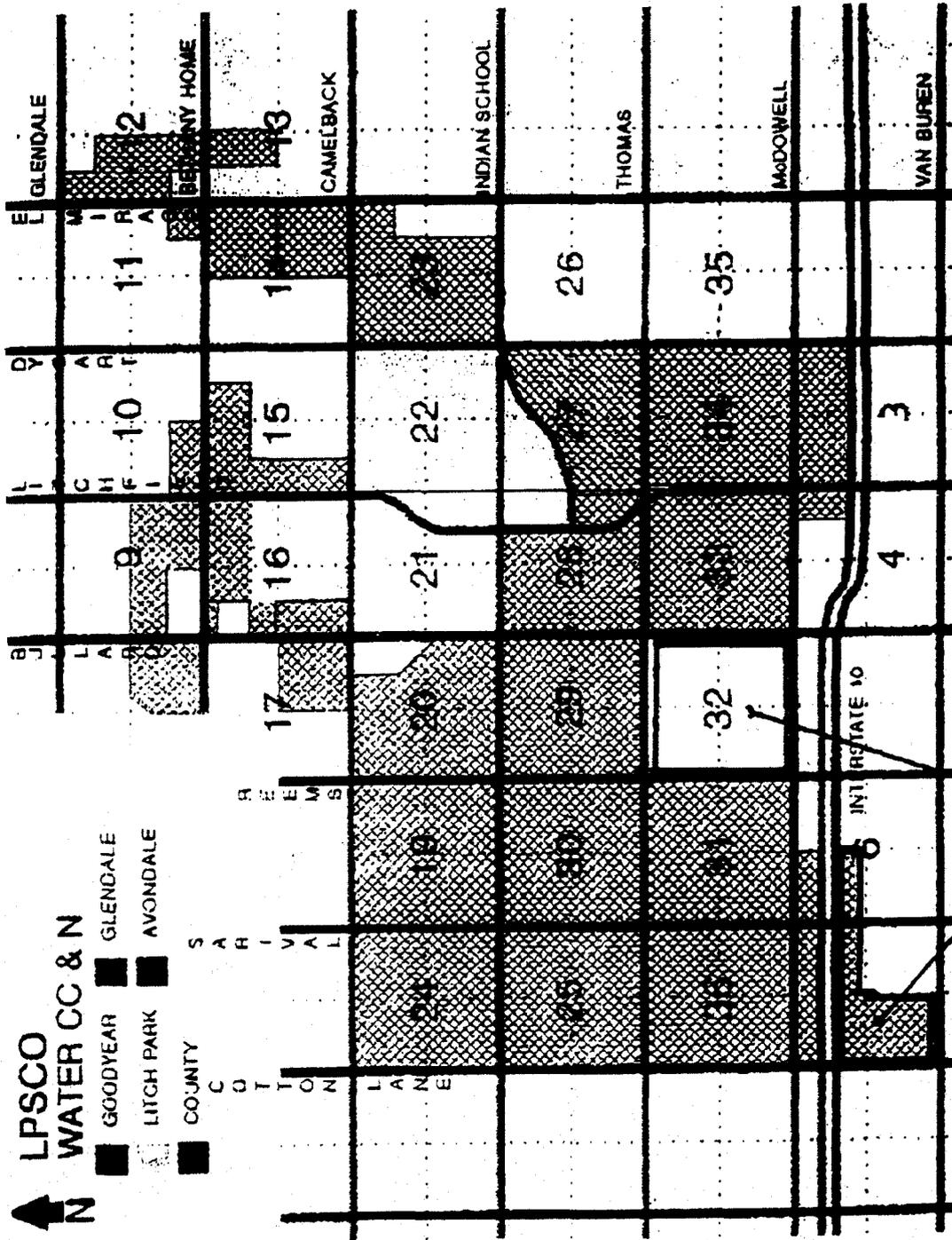
Secret

EXHIBIT B



**LPSCO
WATER CC & N**

-  GOODYEAR
-  LITCH PARK
-  COUNTY
-  GLENDALE
-  AVONDALE



AREAS TO BE EXCHANGED

LEGAL

MEMORANDUM

RECEIVED

2001 MAY 14 P 4: 55

AZ CORP COMMISSION
DOCUMENT CONTROL

TO: Docket Control
Arizona Corporation Commission

FROM: Deborah R. Scott
Director
Utilities Division



Date: May 14, 2001

RE: LITCHFIELD PARK SERVICE COMPANY- APPLICATION FOR AN
EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND
NECESSITY (CC&N) TO PROVIDE WATER AND WASTEWATER
SERVICE IN MARICOPA COUNTY, ARIZONA. (DOCKET NO. W-
01427A-00-1004 AND WS-01428A-00-1004)

Attached is the Staff Report for the above referenced application. Staff is recommending approval of the application following a hearing.

Originator: Jim Fisher

Attachment: Original and Eleven Copies

RECEIVED

MAY 15 2001

LEGAL DIV.
ARIZ. CORPORATION COMMISSION

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE
COMPANY- APPLICATION FOR AN EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY (CC&N) TO PROVIDE WATER AND
WASTEWATER SERVICE IN MARICOPA COUNTY, ARIZONA.

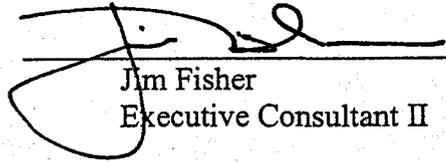
DOCKET NO. W-01427A-00-1004
AND WS-01428A-00-1004

MAY 2001

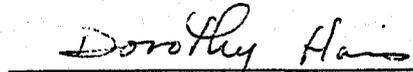
STAFF ACKNOWLEDGEMENT

The Staff members designated below contributed elements of this Staff Report.

Contributing Staff:



Jim Fisher
Executive Consultant II



Dorothy Hains
Utilities Engineer

Introduction:

On December 8, 2000, Litchfield Park Service Company (LPSCO) filed an application for an extension to its existing water and wastewater Certificate of Convenience and Necessity (Certificate).

On December 26, 2000, LPSCO filed a Certificate of Good Standing. On January 8, 2001, LPSC filed wastewater data and cost data for planned wastewater facilities. On March 23, 2001, LPSCO filed a copy of the February 27, 2001 Wastewater Agreement with the City of Goodyear.

Background and Staff Analysis:

LPSCO holds a Certificate issued by the Commission to provide water and wastewater service in portions of Maricopa County, Arizona. The Company provides service to approximately 4,033 water customers and 3,475 wastewater customers.

On November 16, 2000, LPSCO was granted an extension to its existing Certificate to include additional territory adjacent to its then current Certificate in response to requests for service. In addition, the Commission approved a transfer of a portion of Tierra Buena Water Company's service territory to LPSCO.

In this application, LPSCO seeks to delete a portion of its existing territory and extend into another area, consistent with an agreement with the City of Goodyear contemplating the Company and the City adjusting their respective utility service territories to more efficiently and effectively serve current and future customers.

Attachment C to the Application includes an April 10, 2000, letter from Stephan Cleveland, City Manager of Goodyear, which states in part:

"continuing discussions on the exchange of LPSCO's service territory south of I-10 (Continental Homes) for Section 32 north of McDowell Road...City Staff has completed review...and finds that the service territory swap is acceptable with no additional consideration required.

[I]t will be necessary for the City to serve a portion... within the LPSCO service territory prior to the exchange being completed."

In this application LPSCO seeks to delete the above referenced portion of its Certificate which would then receive service from the City. LPSCO has no facilities, customers or agreements with property owners within the Deleted Area.

In exchange, the City supports LPSCO's Application to provide water and wastewater service to Section 32. The principle property owners, Globe Corporation, Burton Freireich, Roy Ross and Pebble Creek Church have submitted letters supporting the Application.

LPSCO is current on its filings with the Commission and is current on its taxes. LPSCO will provide service to the area under its existing service rates, terms and conditions. The facilities to serve the extension area will be financed by LPSCO through contributions-in-aid-of-construction and main extension agreements with landowners.

LPSCO has not obtained the required franchise that allows it to construct its facilities within the public rights-of-way. Therefore, Staff recommends that the Commission condition approval of the application on LPSCO filing a copy of its franchise with the Commission within 365 days from the effective date of the Commission's Decision.

Engineering review- Water:

LPSCO is in compliance with the Arizona Department of Environmental Quality (ADEQ) and Arizona Department of Water Resources (ADWR) regulations.

Engineering Staff received a December 13, 2000 memorandum from Maricopa County Environmental Services Department Compliance, representing that LPSCO is delivering water that does exceed any maximum contaminant level and meets the Safe Drinking Water Act quality requirements.

LPSCO is in the ADWR's Phoenix Active Management Area, and is in compliance with groundwater management regulations.

Staff analysis demonstrates LPSCO's existing systems have adequate storage and production capacity to serve 1,900 connections. The application demonstrates the Company is projecting to serve 1,154 new connections over the next five years. Therefore, the system appears adequate.

Engineering review- Wastewater:

Staff received a December 14, 2000 memorandum from ADEQ stating that the agency had performed a plant inspection on June 12, 2000 and determined that there are no plant or permit deficiencies.

Currently, LPSCO and the City of Goodyear have a wastewater treatment agreement in which the City agrees to treat 1.4 million gallons per day for LPSCO. However, LPSCO it is in the process of installing a new 4.2 million gallon per day treatment plant scheduled to be in service by February 2002. This new plant, Palm

Valley WFR, will have adequate treatment capacity and is estimated to a cost of \$14 million to install, with an additional \$3 million for collection lines and outfall systems. Staff believes the construction estimates are reasonable.

On February 27, 2001, LPSCO and the City of Goodyear signed a new Wastewater Agreement which provides in part, that the City of Goodyear will cooperate with LPSCO's efforts to construct its own wastewater facilities, Palm Valley WFR. The Agreement further provides that the City of Goodyear will obtain from LPSCO its portion of the Goodyear Wastewater Treatment Plant capacity no later than March 31, 2002. The City is to provide LPSCO \$4.8 million for this capacity transfer. The City is to subsequently obtain the remaining capacity at the plant for an additional payment of \$1.6 million.

On March 23, 2001, LPSCO filed with the Commission a \$10 million financing application to fund a wastewater treatment plant expansion.

Recommendations:

Staff recommends that the Commission grant approval of Litchfield Park Service Company's application to extend the Certificate of Convenience and Necessity consistent with the legal description provided.

Staff recommends that the Commission grant approval of Litchfield Park Service Company application to delete a portion of their Certificate of Convenience and Necessity consistent with the legal description provided.

Staff further recommends that Litchfield Park Service Company be order to charge its existing rates and charges in the extension area.

Staff further recommends that the Commission condition approval of the subject application by requiring the company to file in this docket a copy of the developer's Certificate of Assured Water supply within 180 days of the effective date of the Commission's decision in this matter.

Staff further recommends that the Commission condition approval of the subject application of Litchfield Park Service Company, by requiring the company to file in this docket a copy of the County Franchise within 365 days of the effective date of the Commission's decision in this matter.

Staff further recommends that the Commission's Decision for the subject application be considered null and void without further Order by the Commission, should the Company fail to file in this docket a copy of the developer's Certificate of Assured Water Supply within the 180 day requirement, or should the Company fail to file in this docket a copy of the County Franchise within the 365 day requirement.

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ADDITIONAL AREA

Section 32, Township 2 North, Range 1 West, G&SRB&M,
Maricopa County, Arizona,
an area totaling 640 acres.

DELETION AREA

South One Half of the Northwest One Quarter of Section 6,
Township 1 North, Range 1 West, G&SRB&M, Maricopa
County, Arizona, and

South One Half of the North One Half, and the Southwest
One Quarter of Section 1, Township 1 North, Range 2
West, G&SRB&M, Maricopa County, Arizona,
an area totaling 400 acres.

EXHIBIT B