

ORIGINAL NEW APPLICATION



0000048935

**Picacho Sewer Company
9532 E. Riggs Road
Sun Lakes, AZ 85248**

RECEIVED

2006 MAY -4 1 A 10: 30

May 2, 2006

AZ CORP COMMISSION
DOCUMENT CONTROL

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

SW-03709A-06-0314

Docket No. SW-03709A-06 – Application to Extend Sewer Certificate of Convenience and Necessity (CC&N)

Dear Docket Control:

Picacho Sewer Company (PSC) was granted a CC&N to provide sewer service to the development known as Robson Ranch in Decision No. 61996 dated October 8, 1999. Robson Ranch is an age-restricted master planned community located in the City of Eloy. PSC's sewer CC&N was extended to include the Master Planned Community known as EJR Ranch in Decision No. 67670 dated March 9, 2005. EJR Ranch is a Planned Area Development located in Pinal County.

The developer of Robson Ranch has recently purchased a small parcel that will be included in the Robson Ranch development, and pursuant to a request for service attached as Exhibit D has requested sewer service from PSC. This area will consist of 583 residential customers and few light non-residential customers. The developer of EJR Ranch has also acquired a small parcel that will be included in the EJR Ranch development, and pursuant to the request for service in Exhibit D has requested service from PSC. This extension area will consists of about 600 residential customers and a few light non-residential customers. This application is to extend the sewer CC&N to the additional areas of Robson Ranch and EJR Ranch.

PSC commenced sewer service to Robson Ranch in January 2006 and is currently serving 16 residential customers and 6 commercial customers. Its plant service consists of a .25mgd wastewater treatment plant. Its 208 capacity is 5.4 mgd, which is more than sufficient to serve the proposed extension areas.

PSC proposes that it charge its current rates and charges to the customers in the extension area.

Notice of this application will be sent to the property owners in the extension area as well as to all of the property owners in the existing certificated area. A copy of the notice is attached as Exhibit E. Given the demand for sewer, it serves the public interest for the Arizona Corporation Commission to grant the extension of the sewer CC&N that is requested by PSC in this application.

An original and 13 copies submitted.

Sincerely,

Jim Poulos

ARIZONA CORPORATION COMMISSION

APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER AND/OR SEWER

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

Picacho Sewer Company

9532 E. Riggs Road

Sun Lakes, AZ 85248

480-895-4200

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

Jim Poulos

9532 E. Riggs Road

Sun Lakes, AZ 85248

480-895-4251

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

Ed MacMeans

40000 S. Ridgeview Blvd.

Tucson, AZ 85739

520-825-5515

D. List the name, address and telephone number of the attorney for the Applicant: None

E. Attach the following documents that apply to you:

1. Certificate of Good Standing (if corporation) Exhibit A
2. Corporate Resolution Authorizing this application (if required by the corporation's Articles of Incorporation) Not Required

F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted. Exhibit B

G. Attach a detailed map using the form provided as attachment B. Shade and outline the area requested. Also indicate the present certificated area by using different colors. Exhibit C

H. Attach a current balance sheet and profit and loss statement. None - Recently commenced operations

I. Provide the following information:

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

Residential:

First Year 250 Second Year 500 Third Year 700 Fourth Year 900
Fifth Year 1,100

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 _____

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

Residential:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

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 _____

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

First Year 133,500 Second Year 259,500 Third Year 358,800

Fourth Year 459,600 Fifth Year 560,400

- Complete Attachment "D" (Water Use Data Sheet) for the past 13 months

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

First Year 120,150 Second Year 233,550 Third Year 322,920
Fourth Year 413,640 Fifth Year 504,360

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

3,000,000.00

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

Debit and/or equity

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

Starting date 2007 date 2012 Completion

M. Attach the following permits:

1. Franchise from either the City or County for the area requested. Applied for - to be late-filed
2. Arizona Department of Environmental Quality or designee's approval to construct facilities. Not yet required
3. Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.) N/A
4. U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.) N/A
5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of, either the utility's Designation of an Assured Water Supply, or the developer's Certificate of 100 Year Assured Water Supply issued by the Arizona Department of Water Resources. N/A
 - If the 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.

- If the 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.

[Handwritten Signature]

(Signature of Authorized Representative)

Tim Poulos

(Print or Type Name Here)

Manager

(Title)

SUBSCRIBED AND SWORN to before me this 3rd day of May, 1906

Veronica Cubbage

NOTARY PUBLIC

My Commission Expires

8/1/08



EXHIBIT A

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 Director of the Arizona Corporation Commission, do hereby certify that

*****PICACHO SEWER COMPANY*****

a domestic corporation organized under the laws of the State of Arizona, did incorporate on December 22, 1997.

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; and 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 3rd Day of May, 2006, A. D.



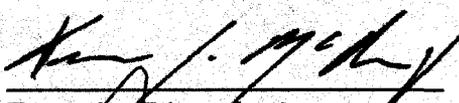
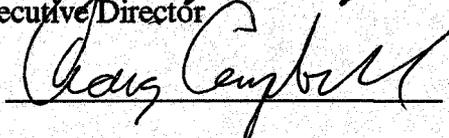

Executive Director
By 

EXHIBIT B

Legal Description

Robson Ranch Arizona
Units 27 & 28
Addition to Picacho Sewer Company CC&N

March 22, 2006

A parcel of land located within the Northeast Quarter of Section 20, and within the West Half and the Southeast Quarter of Section 21, Township 7 South, Range 7 East, of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the Northwest Corner of said Section 21, a 5/8" rebar;

THENCE South 89°55'22" East 2,648.14 feet along the North line of the Northwest Quarter of said section, to the North Quarter Corner of said section, a GLO brass cap;

THENCE South 00°21'58" West 2,646.48 feet, along the North-South mid-section line of said Section 21, to the East-West mid-section line of said section;

THENCE South 89°46'12" East 332.91 feet along said East-West mid-section line;

THENCE South 00°23'21" West 809.82 feet to the Northeasterly line of Jimmie Kerr Boulevard (Highway 84);

THENCE North 53°50'54" West 85.98 feet along said Northeasterly line, to the beginning of a non-tangent curve, concave Southwesterly, having a radius of 11,509.16 feet, the center of which bears South 33°00'19" West;

THENCE Northwesterly 372.64 feet continuing along said Northeasterly line of Jimmie Kerr Boulevard, and along the arc of said curve, through a central angle of 01°51'18";

THENCE continuing along said Northeasterly line, North 58°50'59" West 274.00 feet, to the beginning of a tangent curve, concave Northeasterly, having a radius of 11,409.16 feet;

THENCE Northwesterly 777.56 feet continuing along said Northeasterly line of Jimmie Kerr Boulevard, and along the arc of said curve, through a central angle of 03°54'17", to the said East-West mid-section line of Section 21;

EXHIBIT B

Legal Description

Robson Ranch Arizona
Units 27 & 28
Addition to Picacho Sewer Company CC&N (cont'd)

March 22, 2006

THENCE South 89°46'12" East 20.30 feet along said mid-section line;

THENCE continuing along said Northeasterly line of Jimmie Kerr Boulevard, North 53°50'54" West 4,467.63 feet, to the North line of said Northeast Quarter of Section 20;

THENCE North 89°40'35" East 1,899.41 feet along said North line, to the TRUE POINT OF BEGINNING.

The above described parcel contains 7,766,054 square feet, or 178.2841 acres, more or less.



EXHIBIT B

Legal Description

EJR Ranch – Henness Parcel
Addition to Picacho Sewer Company CC&N
Northwest Quarter Section 28 T.6S., R.7E., G&SRM

March 23, 2006

A parcel of land located in Section 28, Township 6 South, Range 7 East, Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the Northwest Corner of said Section 28;

THENCE along the North line of the Northwest Quarter of said Section 28, S89°40'08"E, a distance of 2,648.50 feet to the North Quarter Corner of said Section;

THENCE along the East line of the Northwest Quarter of said Section 28, S00°34'17"W, a distance of 2,680.43 feet to the Center of said Section;

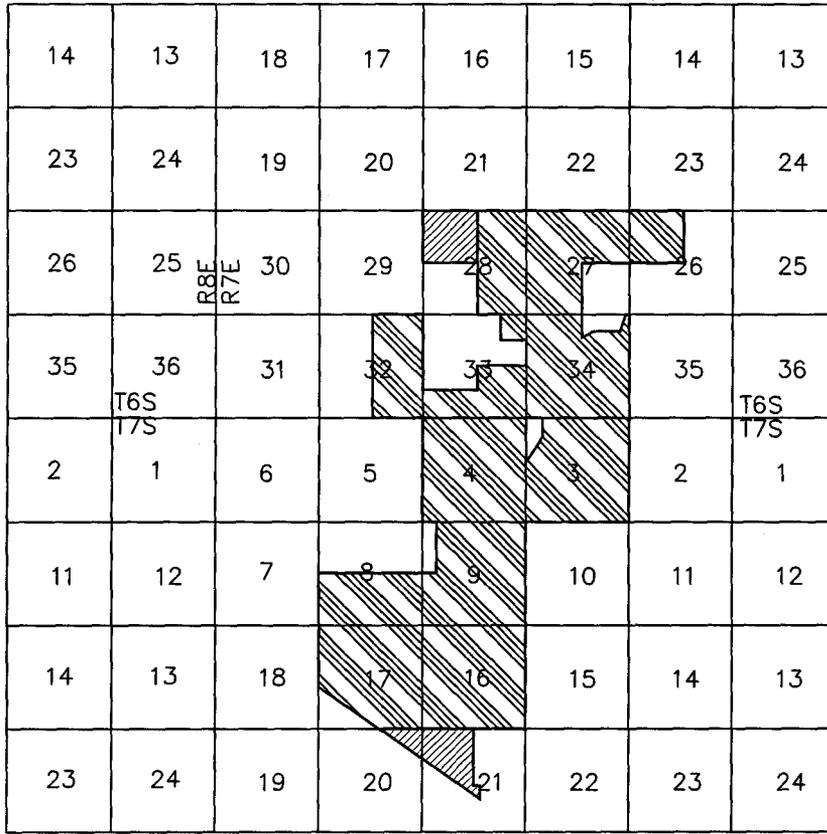
THENCE along the South line of the Northwest Quarter of said Section 28, S89°47'31"W, a distance of 2,665.39 feet to the West Quarter Corner of said Section;

THENCE along the West line of the Northwest Quarter of said Section, N00°55'27"E, a distance of 2,705.65 feet to the Northwest Corner of said Section 28 and THE POINT OF BEGINNING.

The above-described parcel contains 7,154,629 square feet or 164.25 acres, more or less.



EXHIBIT C



-  PICACHO SEWER CO CC&N EXPANSION AREA
-  PICACHO SEWER CO CC&N EXISTING AREA

**PICACHO SEWER CO
APRIL, 2006**



Robson Communities™

Master-Planned Resort Living

EXHIBIT D

April 18, 2006

VIA FACSIMILE

Picacho Sewer Company
9532 East Riggs Road
Sun Lakes, Arizona 85248

RE: Request for Sewer Service

To Whom It May Concern:

The beneficial owner of the property more fully described on Exhibit "A" attached to this letter hereby requests that Picacho Sewer Company provide sewer services to the property. Please contact the undersigned with any questions or with requests for any additional information.

Sincerely,

EXHIBIT A

Legal Description

EJR Ranch – Henness Parcel
Addition to Picacho Sewer Company CC&N
Northwest Quarter Section 28 T.6S., R.7E., G&SRM

March 23, 2006

A parcel of land located in Section 28, Township 6 South, Range 7 East, Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the Northwest Corner of said Section 28;

THENCE along the North line of the Northwest Quarter of said Section 28, S89°40'08"E, a distance of 2,648.50 feet to the North Quarter Corner of said Section;

THENCE along the East line of the Northwest Quarter of said Section 28, S00°34'17"W, a distance of 2,680.43 feet to the Center of said Section;

THENCE along the South line of the Northwest Quarter of said Section 28, S89°47'31"W, a distance of 2,665.39 feet to the West Quarter Corner of said Section;

THENCE along the West line of the Northwest Quarter of said Section, N00°55'27"E, a distance of 2,705.65 feet to the Northwest Corner of said Section 28 and THE POINT OF BEGINNING.

The above-described parcel contains 7,154,629 square feet or 164.25 acres, more or less.



EXHIBIT A

Legal Description

Robson Ranch Arizona
Units 27 & 28

March 22, 2006

A parcel of land located within the Northeast Quarter of Section 20, and within the West Half and the Southeast Quarter of Section 21, Township 7 South, Range 7 East, of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the Northwest Corner of said Section 21, a 5/8" rebar;

THENCE South 89°55'22" East 2,648.14 feet along the North line of the Northwest Quarter of said section, to the North Quarter Corner of said section, a GLO brass cap;

THENCE South 00°21'58" West 2,646.48 feet, along the North-South mid-section line of said Section 21, to the East-West mid-section line of said section;

THENCE South 89°46'12" East 332.91 feet along said East-West mid-section line;

THENCE South 00°23'21" West 809.82 feet to the Northeasterly line of Jimmie Kerr Boulevard (Highway 84);

THENCE North 53°50'54" West 85.98 feet along said Northeasterly line, to the beginning of a non-tangent curve, concave Southwesterly, having a radius of 11,509.16 feet, the center of which bears South 33°00'19" West;

THENCE Northwesterly 372.64 feet continuing along said Northeasterly line of Jimmie Kerr Boulevard, and along the arc of said curve, through a central angle of 01°51'18";

THENCE continuing along said Northeasterly line, North 58°50'59" West 274.00 feet, to the beginning of a tangent curve, concave Northeasterly, having a radius of 11,409.16 feet;

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EXHIBIT A

Legal Description

Robson Ranch Arizona
Units 27 & 28

March 22, 2006

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THENCE continuing along said Northeasterly line of Jimmie Kerr Boulevard, North 53°50'54" West 4,467.63 feet, to the North line of said Northeast Quarter of Section 20;

THENCE North 89°40'35" East 1,899.41 feet along said North line, to the TRUE POINT OF BEGINNING.

The above described parcel contains 7,766,054 square feet, or 178.2841 acres, more or less.



EXHIBIT E

PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION OF ITS
CERTIFICATE OF CONVENIENCE AND NECESSITY BY
PICACHO SEWER COMPANY

Picacho Sewer 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 sewer service. Our records indicate that you are either currently a customer of Picacho Sewer Company or are a property owner in the proposed extension area. If the application is granted, Picacho Sewer would be the exclusive provider of sewer service to the propose area. Picacho Sewer 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. 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 Picacho Sewer Company, 9532 E. Riggs road, Sun Lakes, AZ 85248

The Commission will hold a hearing on this matter. As a property owner, or customer, you may be 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 an 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, AZ 85007 or call 1-800-222-7000.