



**BEFORE THE ARIZONA CORPORATION COMMISSION
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2006 MAY 18 P 4: 37

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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY, AN ARIZONA CORPORATION, TO EXTEND ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY IN THE CITY OF CASA GRANDE AND IN PINAL COUNTY, ARIZONA

DOCKET NO. W-01445A-06-0199

IN THE MATTER OF THE APPLICATION OF PALO VERDE UTILITIES COMPANY FOR AN EXTENSION OF ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. SW-03575A-05-0926

IN THE MATTER OF THE APPLICATION OF SANTA CRUZ WATER COMPANY FOR AN EXTENSION OF ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-03576A-05-0926

**MOTION TO INTERVENE
OF
RIDGEVIEW UTILITY COMPANY,
PICACHO WATER COMPANY,
LAGO DEL ORO WATER
COMPANY, AND SANTA ROSA
WATER COMPANY**

Snell & Wilmer

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Petitioners Ridgeview Utility Company, Picacho Water Company, Lago Del Oro Water Company, and Santa Rosa Water Company (collectively, the "Robson Utilities") hereby move the Arizona Corporation Commission ("Commission") for leave to intervene in the above-captioned consolidated proceeding pursuant to A.A.C. R14-3-105. This motion is supported by the following facts and information:

1. Ridgeview Utility Company, Picacho Water Company, Lago Del Oro Water Company, and Santa Rosa Water Company are each public service corporations providing water service to customers in Pinal County, Arizona.

1 2. On December 28, 2005, Palo Verde Utilities Company and Santa Cruz Water
2 Company (collectively, the "Global Utilities") filed separate applications with the Commission
3 seeking to extend their respective sewer and water certificates of convenience and necessity
4 ("CC&Ns") in Docket Nos. SW-03575A-05-0926 and W-03576A-05-0926.

5 3. On March 29, 2006, Arizona Water Company ("AWC") filed an application (the
6 "AWC Application") with the Commission in Docket No. W-01445A-06-0199 seeking approval
7 to extend its existing Certificate of Convenience and Necessity ("CC&N") to include more than
8 69,000 acres (approximately 108 square miles) in Pinal County, Arizona (the "AWC Extension
9 Area"). The AWC Extension Area is described in Exhibit 1 to the AWC Application, and is
10 depicted on the map attached as Exhibit 2 to the AWC Application. The AWC Extension Area
11 overlaps a portion of the extension area requested by the Global Utilities.

12 4. In a Procedural Order dated April 25, 2006, the Commission's Administrative
13 Law Judge consolidated Docket W-01445A-06-0199 with Docket Nos. SW-03575A-05-0926
14 and W-03576A-05-0926.

15 5. AWC has requested the addition of more than 69,000 acres to its CC&N. Yet,
16 AWC submitted only five requests for service addressed to AWC totaling less than 200 acres.
17 While AWC submitted copies of an additional 52 requests for service that were addressed to the
18 Global Utilities totaling some 19,373 acres, this still leaves nearly 50,000 acres (or
19 approximately 78 square miles) which have no request for service. *See Letter from Mike Patten*
20 *to Director Ernest Johnson dated April 7, 2006*, Docket No. W-01445A-06-0199. AWC's
21 request for such an enormous extension of its CC&N without accompanying requests for service
22 is unprecedented in the history of Arizona.

23 6. If approved, the AWC Application would contravene a well-established
24 Commission policy of requiring requests for service before extending a CC&N. *See Decision*
25 *59396*, Docket Nos. W-02074A-95-0103 (Nov. 28, 1995) (limiting Beardsley Water Company's
26 CC&N extension to that area where the company had requests for service only); *Decision 68453*,
27 Docket Nos. W-04264A-04-0438 *et al.* (Feb. 2, 2006) (determining that it was in the public
28 interest to limit AWC's CC&N extension to include only those areas where it had received

1 requests for service); *Decision 68607*, Docket No. W-01445A-05-0469 (Mar. 23, 2006)
2 (excluding Parcel 2 from AWC's extension area because the owner revoked his request for
3 service and AWC honored that request).

4 7. The Robson Utilities are directly and substantially affected by this proceeding for
5 several reasons. First, AWC seeks to extend its CC&N to large areas where there are no requests
6 for service to AWC from the property owners, which is contrary to the Commission's well-
7 established policy on CC&N extensions as set forth above. As utility providers regulated by the
8 Commission and operating in the vicinity of AWC in Pinal County, the Robson Utilities have a
9 direct interest in the uniform and equitable application of the Commission's policies, decisions
10 and rules in this case. Second, if AWC's requested extension is granted, the Robson Utilities will
11 be forever precluded from serving within the AWC Extension Area even if one of the Robson
12 Utilities subsequently receives a request for service from a property owner within the area.
13 AWC is attempting to lock-up a vast area in Pinal County today so that AWC can serve that area
14 at some unknown date in the future when there is actually a need for service. Such a ploy
15 directly penalizes the Robson Utilities which operate in good faith in Pinal County by filing
16 requests for extensions only when the public convenience and necessity requires. As significant
17 water providers in Pinal County, the Robson Utilities would anticipate receiving requests for
18 service in the AWC Extension Area as property within that area develops. Beyond the harm that
19 would be caused to the Robson Utilities from the grant of AWC's Application in its entirety,
20 AWC's tactic is contrary to the public interest because it forecloses the benefits that accrue to
21 customers when multiple service providers compete for the CC&N to serve an area. Such
22 benefits include the potential efficiencies of water and sewer service provided by integrated
23 utilities such as the Robson Utilities (which AWC cannot offer) and innovation in technology
24 which naturally results from multiple providers competing for a CC&N to serve an area. Third,
25 if AWC's request is granted, this docket may establish a precedent modifying the Commission's
26 well-established policy of requiring a request for service from the property owner before a
27 CC&N is extended to include the property. The Robson Utilities have a direct stake in the
28 development of policies which impact the granting of CC&Ns to water companies in Arizona.

1 Accordingly, the Robson Utilities would like the opportunity to present their position on this
2 issue which clearly impacts all Commission-regulated water providers in Arizona. For each of
3 foregoing reasons, the Robson Utilities will be directly and substantially affected by this
4 consolidated proceeding, and the Robson Utilities should be permitted to intervene.

5 8. While tens of thousands of customers will miss out on the benefits of an
6 integrated water and sewer provider if the AWC Application is granted in its present form, there
7 is a more consequential factor to consider. The grant of AWC's request would establish a water
8 provider without addressing sewer service to a major portion of Pinal County. In fact, a property
9 owner may find it difficult or even impossible to find a stand-alone sewer provider to serve the
10 property if AWC is certificated. The Commission should consider water and sewer service in
11 concert when addressing requests to extend water company CC&Ns. The AWC Application
12 fails to address sewer service at all. This is yet another serious problem with extending a CC&N
13 to areas which do not have requests for service. The Robson Utilities would like an opportunity
14 to address this critical issue in this docket.

15 9. The granting of intervener status to the Robson Utilities will not delay this
16 proceeding or cause the issues to be unduly broadened.

17 10. The name, address, telephone number, facsimile number and e-mail address of the
18 attorneys for the Robson Utilities, upon whom service of all documents is to be made, are:

19 Jeffrey W. Crockett, Esq.
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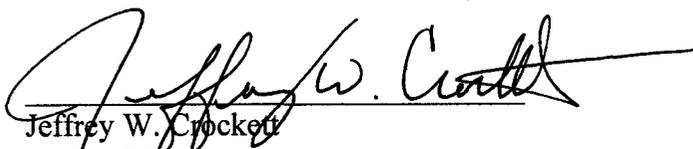
11. A copy of this Motion to Intervene is being sent via first class mail and electronic
mail to the attorneys for AWC at the address below.

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WHEREFORE, the Robson Utilities respectfully request that the Commission grant their motion to intervene in the above-captioned proceeding.

DATED this 18th day of May, 2006.

SNELL & WILMER



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ORIGINAL and thirteen (17) copies filed with Docket Control this 18th day of May, 2006.

COPY of the foregoing hand-delivered this 18th day of May, 2006, to:

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COPY of the foregoing sent via first class
mail and electronic mail this 18th day of
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