

ORIGINAL



0000050781

RECEIVED

28

1 FENNEMORE CRAIG, P.C.
 2 A Professional Corporation
 3 Jay L. Shapiro (No. 014650)
 4 Patrick J. Black (No. 017141)
 5 3003 North Central Avenue
 6 Suite 2600
 7 Phoenix, Arizona 85012
 8 Telephone (602) 916-5000

2006 MAY 26 P 3: 36
 AZ CORP COMMISSION
 DOCUMENT CONTROL

9 Attorneys for Northern Sunrise Water Company
 10 and Southern Sunrise Water Company

11 **BEFORE THE ARIZONA CORPORATION COMMISSION**

12 IN THE MATTER OF THE APPLICATION OF
 13 NORTHERN SUNRISE WATER COMPANY FOR A
 14 CERTIFICATE OF CONVENIENCE AND
 15 NECESSITY TO PROVIDE WATER UTILITY
 16 SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20453A-06-0247

17 IN THE MATTER OF THE APPLICATION OF
 18 SOUTHERN SUNRISE WATER COMPANY FOR A
 19 CERTIFICATE OF CONVENIENCE AND
 20 NECESSITY TO PROVIDE WATER UTILITY
 21 SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20454A-06-0248

22 IN THE MATTER OF THE JOINT APPLICATION
 23 OF NORTHERN SUNRISE WATER COMPANY
 24 AND SOUTHERN SUNRISE WATER COMPANY
 25 FOR THE APPROVAL OF SALE AND TRANSFER
 26 OF WATER UTILITY ASSETS, AND
 CANCELLATION OF CERTIFICATES OF
 CONVENIENCE AND NECESSITY, FOR
 MIRACLE VALLEY WATER COMPANY,
 COCHISE WATER COMPANY, HORSESHOE
 RANCH WATER COMPANY, CRYSTAL WATER
 COMPANY, MUSTANG WATER COMPANY,
 CORONADO ESTATES WATER COMPANY, AND
 SIERRA SUNSET WATER COMPANY, LOCATED
 IN COCHISE COUNTY, ARIZONA.

DOCKET NOS. W-20453A-06-0251
 W-20454A-06-0251
 W-01646A-06-0251
 W-01868A-06-0251
 W-02235A-06-0251
 W-02316A-06-0251
 W-02230A-06-0251
 W-01629A-06-0251
 W-02240A-06-0251

**NORTHERN SUNRISE WATER
 COMPANY AND SOUTHERN
 SUNRISE WATER COMPANY'S
 RESPONSE TO AMENDED STAFF
 REPORT**

23 Northern Sunrise Water Company ("Northern Sunrise") and Southern Sunrise Water
 24 Company ("Southern Sunrise") (collectively, "Applicants") hereby file this Joint Response to the
 25 Amended Staff Report ("Amended Report") filed in this docket on May 23, 2006. This additional
 26 response supplements Applicants' original response filed May 24, 2006.

1 The Amended Report makes two additional recommendations for conditions of approval
2 in the above-captioned matters: (1) that Applicants must establish a website for customers to
3 obtain timely information regarding water service, planned and unplanned outages and progress
4 toward completion of improvement projects listed on Exhibit 4 to the May 17th Staff Report, and
5 (2) that Applicants file, no later than December 31, 2007, for approval to extend their respective
6 certificates of convenience and necessity ("CC&N") to areas being served outside of the CC&Ns
7 approved in this matter. Applicants hereby respond to these two proposed additional conditions
8 as follows:

9 **1. Proposed Additional Condition No. 1.**

10 Algonquin Water Resources ("Algonquin"), Applicant's parent company is close to
11 completing a website that will provide information on all the water and wastewater systems it
12 operates in Arizona. The website will allow the viewer to access specific information about a
13 relevant water or wastewater operating company, including Northern Sunrise and Southern
14 Sunrise. In addition, customers will be able to add their e-mail addresses to a database in order to
15 receive automatic notices about items or events pertinent to that specific water or wastewater
16 system. The site already contains some information about Applicants' CC&N approval process,
17 and can be accessed at www.algonquinwater.com.

18 While Applicants appreciate the Commission's concern that ratepayers receive timely
19 information about water service and infrastructure upgrades, Staff's Proposed Additional
20 Condition No. 1 represents undue interference with the internal management of the companies.
21 Algonquin's new website should be fully operational by approximately June 15, 2006. As a
22 result, Applicants assert that Staff's Proposed Additional Condition No. 1 is also unnecessary.

23 **2. Proposed Additional Condition No. 2.**

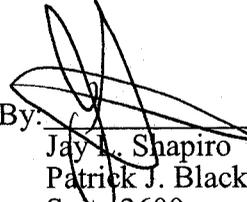
24 In their respective CC&N applications, both Northern Sunrise and Southern Sunrise have
25 addressed the issue of customers currently being served by a McLain water system, but falling
26 outside the applicable CC&N service area. Northern Sunrise Application at ¶ 12, Southern

1 Sunrise Application at ¶ 11. Applicants re-assert that the most efficient means of bringing these
2 customers into the respective CC&Ns is to file legal descriptions in this docket once such
3 customer has been identified so that true and correct boundaries for each respective water service
4 area can be established.

5 In contrast, the additional CC&N proceedings envisioned by Staff are unnecessary, and
6 the regulatory burden of future approvals is not warranted. To the extent there are customers
7 currently receiving water service outside Northern Sunrise and Southern Sunrise's proposed
8 CC&Ns, such customers are the result of the previous operator's violation of Arizona law,
9 including the Commission's rules and regulations. Applicants should not be burdened with the
10 costs of further CC&N proceedings when the matter can be handled administratively. Applicants
11 will agree, however, to provide the Commission with all necessary legal descriptions to establish
12 a more accurate CC&N area for Northern Sunrise and Southern Sunrise by December 31, 2007.

13 RESPECTFULLY SUBMITTED this 26th day of May, 2006.

14 FENNEMORE CRAIG, P.C.

15
16
17 By: 
18 Jay A. Shapiro
19 Patrick J. Black
20 Suite 2600
21 3003 North Central Avenue
22 Phoenix, Arizona 85012
23 Attorneys for Northern Sunrise Water
24 Company and Southern Sunrise Water
25 Company

26 ORIGINAL and 33 copies delivered
this 26th day of May, 2006 to:

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

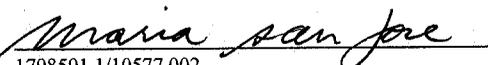
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Copy hand-delivered this 26th day
of May, 2006, to:

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

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

Linda Jaress, Executive Consultant
Utilities Division
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007


1798591.1/10577.002