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MEMORANDUM

TO: Docket Control  
FROM: Ernest G. Johnson  
Director  
Utilities Division

2006 OCT -3 A 11:14  
AZ CORP COMMISSION  
DOCUMENT CONTROL

Arizona Corporation Commission  
**DOCKETED**  
OCT -3 2006

DATE: October 3, 2006

DOCKETED BY	NR
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RE: STAFF'S REPLY TO WORDEN WATER COMPANY'S RESPONSE TO STAFF REPORT (DOCKET NOS. W-02221A-05-0505 & W-20391A-05-0505)

On September 25, 2006, Administrative Law Judge Jane Rodda filed a Procedural Order in this docket. In the Procedural Order Staff was ordered to file a reply to the Worden Water Company ("Worden" or "the Company") Response to the Staff Report. Staff was also ordered to include procedural recommendations concerning the need for a hearing. Staff was ordered to file this information by October 3, 2006.

Staff has previously recommended the Commission approve Janice E. Worden and Lawrence A. Worden ("the Applicants") d/b/a Worden Water Company's application for transfer of the Certificate of Convenience and Necessity ("CC&N") previously held by Arthur O. Worden d/b/a Worden Water Company, subject to compliance with the following conditions, among other conditions:

1. To require Worden to install at a minimum 20,000 gallons of storage capacity or as an alternative, Worden could install the 5,400 gallon storage tank if it also installed a second well with a minimum capacity of 10 gallons per minute ("gpm").
2. To require Worden to file with Docket Control, as a compliance item in this matter, the Approval of Construction ("AOC") documentation issued by the Pima County Department of Environmental Quality ("PDEQ") for either the 20,000 gallons of storage capacity needed to meet minimum storage requirements or the alternative within six months of the effective date of the Commission's order in this matter.

Due to the limited funds available to the Company, in the Response the Applicants objected to the conditions listed above "as beyond the ability of this microscopic water company". According to the Response the Applicants are "prepared to add 10,800 gallons of storage within the next twelve months, and would be willing to add an additional 10,800 gallons within 36 months thereafter".

The following constitutes Staff's reply to the Applicants' proposal. Staff is willing to accept the installation of 10,800 gallons of storage now and another 5,400 gallons of storage capacity within 12 months of the effective date of the Commission's order. This would provide

16,200 gallons of total storage capacity within 12 months of the Commission's order. In the 14th month after the effective date of this order, the Company should be required to submit a revised water use data sheet. Staff would review updated water use data and actual number of connections to determine if additional storage is required. If staff determines that additional storage is required, the Company shall install an additional 5,400 gallons of storage within 24 months of the effective date of the Commission's order in this matter. This would bring total storage to 21,600 gallons.

If the Applicant's are not willing to accept Staff's modified recommendations, as outlined above, Staff believes that a hearing should be held in this matter.

EGJ:DWS:red

Originator: Del W. Smith

Service List for: Janice E. Worden and Lawrence A. Worden d/b/a Worden Water Company  
Docket Nos. W-02221A-05-0505 and W-20391A-05-0505

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