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FENNEMORE CRAIG, P.C. 2007 JAN 31 P 4: 34  
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Phoenix, Arizona 85012  
Attorneys for Litchfield Park Service Company

AZ CORP COMMISSION  
DOCUMENT CONTROL

Arizona Corporation Commission  
DOCKETED

JAN 31 2007

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY FOR AN ACCOUNTING ORDER AUTHORIZING THE DEFERRAL OF COSTS ASSOCIATED WITH EFFORTS TO ADDRESS THE POTENTIAL CONTAMINATION OF WATER SUPPLY LOCATED IN MARICOPA COUNTY, ARIZONA

DOCKET NO. W-01427A-06-0807

**RESPONSE TO REQUEST FOR PROCEDURAL ORDER**

On January 25, 2007, the Arizona Corporation Commission Utilities Division Staff (“Staff”) filed a “Request for Procedural Order” (“Request”) in response to Litchfield Park Service Company’s (“LPSCO” or “Company”) application for an accounting order (“Application”). In its Request, Staff asks for “a procedural order scheduling this matter for hearing.” LPSCO recognizes both the need for a sufficient record to support a Commission decision and the potential for community interest. Indeed, the Company has already undertaken to inform its ratepayers of the situation and to reassure them that steps are being taken to protect their health and safety. However, Staff’s claim that this case presents “complex issues” that warrant a hearing is overstated.

While it is true that there is a federally designated Superfund site in proximity to a portion of LPSCO’s water supplies, this docket involves no more than a request for an accounting order, relief that would allow deferral of costs that the Company is required to expend “in various means in response to the situation.” Request at 1. All that is at issue

1 in this docket is the right to defer costs for consideration in a future rate proceeding. The  
2 relationship and impact of the designated Superfund site to the Company and the  
3 possibility of continued litigation against potentially responsible parties should not be an  
4 issue at this time. *Id.* Again, all LPSCO seeks at this time is an order allowing costs to be  
5 recorded for consideration in a future rate case. No other ratemaking treatment is  
6 requested and customers' rates will not be directly impacted by the relief requested. Nor  
7 is the Company seeking any relief regarding the nature of its response to the potential for  
8 contamination of its wells. Thus, while LPSCO is not specifically opposed to a hearing,  
9 the Company does not believe a hearing is necessary in this docket.

10           Ultimately, if the Commission is going to grant Staff's request for a hearing,  
11 LPSCO urges the Commission to take steps to expedite this matter and to minimize  
12 confusion and misunderstanding on the part of the public. LPSCO has already been  
13 forced to expend funds in response to the possible contamination of some of its wells and  
14 avoiding significant delay is critical as the Company should be able to continue to expend  
15 costs in response to the situation secure in the knowledge that the right to recover such  
16 costs has been preserved. Furthermore, LPSCO proposes that any public notice be  
17 tailored to minimize any unease or confusion arising from what is, at this time, nothing  
18 more than a simple accounting procedure. Towards that end, the Company has submitted  
19 a proposed form of notice, attached hereto as Exhibit 1.

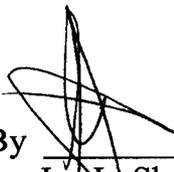
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DATED this 31<sup>st</sup> day of January, 2007.

FENNEMORE CRAIG, P.C.



By \_\_\_\_\_  
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An original and 13 copies of the foregoing was hand-delivered this 31<sup>st</sup> day of January, 2007, to:

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

Charles H. Haines, Esq.  
Legal Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

By: Mario san jose  
186738.1/60199.004

# **EXHIBIT**

**1**

**PUBLIC NOTICE OF THE APPLICATION OF**  
**LITCHFIELD PARK SERVICE COMPANY**  
**FOR AN ACCOUNTING ORDER**  
**(W-01427A-06-0807)**

On December 28, 2006, Litchfield Park Water Company ("LPSCO" or "Applicant") filed with the Arizona Corporation Commission ("Commission") an Application for an accounting order authorizing the deferral of costs associated with efforts to address the potential contamination of portions of its water supply. LPSCO is NOT seeking any relief that would impact rates for utility service at this time, and LPSCO is NOT seeking approval of any specific action being undertaken to protect or replace any of its water sources. For further information on the potential contamination, please refer to the recent communication sent by the Company, a copy of which is included with this notice.

The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix, 1200 West Washington Street, Phoenix, Arizona, at the offices of the Company, 12725 West Indian School Road, Suite D-101, Avondale, Arizona, and on the internet via the Commission website ([www.azcc.gov](http://www.azcc.gov)) using the e-docket function.

The Commission will hold a hearing on this matter beginning on \_\_\_\_\_, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona. Public comment will be taken on the first day of the hearing.

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 the Applicants 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 the Applicants, a shareholder of the Applicants, etc.)
3. A statement certifying that a copy of the motion to intervene has been mailed to the Applicants or their 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 \_\_\_\_\_. The granting of the intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. Failure to intervene will not preclude any potential customer from appearing at the hearing and making a statement on such person's own behalf. You will not, however, receive any further notice of the proceeding unless requested by you.

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 Linda Hogan, ADA Coordinator, voice phone number 602/542-3931, E-mail [Lhogan@azcc.gov](mailto:Lhogan@azcc.gov). Requests should be made as early as possible to allow time to arrange the accommodation.

December 2006

12725 West Indian School Rd  
Suite D101  
Avondale, Arizona  
85323

Phone: 623-935-9367  
Fax: 623-935-1020  
Web: [www.algonquinwater.com](http://www.algonquinwater.com)

## LITCHFIELD PARK SERVICE COMPANY

### Safe and Reliable Drinking Water

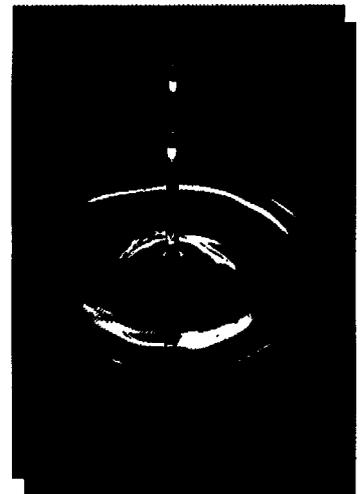
Litchfield Park Service Company (LPSCO) was recently informed by the United States Environmental Protection Agency (EPA) that contaminants\* in the groundwater, caused by a manufacturing plant in Goodyear beginning in 1963, are moving toward the City of Litchfield Park and several of the drinking water wells owned by LPSCO. The water produced from these wells is used to provide drinking water to customers in the City of Litchfield Park and the City of Goodyear. The EPA began

*Drinking water samples taken to date show no risk to the health or welfare of our customers.*

monitoring the groundwater contaminants in 1981 and has been tracking their gradual movement since that time.

In response to this information and to ensure the continued availability of safe water supplies for its customers, LPSCO has increased the frequency of sampling from the wells known to be closest to the groundwater contamination. Drinking water samples taken to date show no risk to the health or welfare of our customers. Nevertheless, to ensure continued reliable,

safe water supply to LPSCO's customers, sites for replacement wells have already been selected and planning of the new wells is underway.



### Safe Water Actions

The EPA is working to ensure that the migration of the groundwater pollution is contained and that the parties responsible for the contaminants take proper action. LPSCO has been informed that some of the activities currently underway include groundwater monitoring, construction of two new monitoring wells between the current contaminated

groundwater area and the wells owned by LPSCO and the planning of an extraction well, the purpose of which is to halt further migration of the contaminants. The monitoring wells will act as an early alert and all of these actions will help to ensure that in the event of further migration of the contaminants, early warning and planned alternative water

supplies are in place to protect the safety of your drinking water.

\*The contaminants in question include trichloroethylene (TCE), tetrachloroethylene (PCE) and perchlorate. TCE and PCE have been classified by EPA as probable cancer causing agents when present at elevated concentrations.

If you have any questions regarding your water service or Litchfield Park Service Company, please call (623) 935-9367.