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1 FENNEMORE CRAIG, P.C.
 2 Jay L. Shapiro (No. 014650)
 3 Patrick J. Black (No. 017141)
 4 3003 North Central Avenue, Suite 2600
 5 Phoenix, Arizona 85012
 Telephone (602)916-5000
 Attorneys for Pine Water Company

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AZ CORP COMMISSION
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Arizona Corporation Commission

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BEFORE THE ARIZONA CORPORATION COMMISSION

8 JAMES HILL and SUSAN HILL, husband
 9 And wife and as trustees of THE JAMES
 10 ELVAN & SUSAN MARIE TRUSTEE
 HILL FAMILY TRUST,

DOCKET NO: W-03512A-07-0100
 W-20511A-07-0100
**ANSWER TO APPLICATION FOR
 DELETION OF TERRITORY FROM
 CERTIFICATE OF CONVENIENCE
 AND NECESSITY OF PINE WATER
 COMPANY**

11 Complainants,

12 v.

13 PINE WATER COMPANY, an Arizona
 14 Corporation,

15 Respondent.

16 Respondent Pine Water Company ("Pine Water" or "Respondent") hereby
 17 responds to and answers the February 15, 2007 Application for Deletion of Territory from
 18 Certificate of Convenience and Necessity ("Complaint") of Pine Water Company that is
 19 property of James Hill and Susan Hill, husband and wife and trustees of The James Elvan
 20 & Susan Marie Trustee Hill Family Trust ("Complainants").

STATEMENT OF PERTINENT FACTS

22 1. The history of water supply problems and limitations on new service
 23 connections and main extensions in Pine Water's service area is well documented. See
 24 Commission Decision Nos. 56539 (July 12, 1989), 56654 (October 6, 1989), 57047
 25 (August 22, 1990), 59753 (July 18, 1996), 60972 (June 19, 1998), 64400 (January 31,
 26 2002), 65435 (December 9, 2002), 67166 (August 10, 2004), 67823 (May 5, 2005).

1 9. Answering paragraph II.1 of the Complaint, Respondent lacks knowledge or
2 information sufficient to form a belief as to the truth of the allegation contained in
3 paragraph II.1.

4 10. Answering paragraph II.2 of the Complaint, Respondent asserts that no
5 response is necessary because the allegation calls for a legal conclusion. To the extent a
6 response is required, Respondent lacks knowledge or information sufficient to form a
7 belief as to the truth of the allegation contained in paragraph II.2.

8 11. Answering paragraph III.1 of the Complaint, Respondent denies the
9 allegation concerning Complainants' request for water service in 2005. Respondent
10 affirmatively asserts that Complainants contacted Respondent with general inquires about
11 utility service, but never specifically requested an extension of service, nor have
12 Complainants provided Respondents any information about Complainants' development
13 plans. Thus, Respondent further asserts, Complainants have refused to take the steps
14 necessary to obtain an extension of water utility service by Respondent. Respondent
15 admits that it had general and preliminary discussions with the prior property owner,
16 Mr. Jones.

17 12. Answering paragraph III.2 of the Complaint, Respondent denies the
18 allegation contained in paragraph III.2.

19 13. Answering paragraph IV.1 of the Complaint, Respondent asserts that the
20 Commission rules speak for themselves, as does Decision No. 67823, pursuant to which
21 Respondent is prohibited from extending service to Complainants' property. Respondent
22 denies the remainder of the allegations contained in paragraph IV.1.

23 14. Answering paragraph IV.2 of the Complaint, Respondent asserts the judicial
24 decisions speak for themselves and that no response is necessary because the allegation
25 sets forth legal conclusions. To the extent a response is required, Respondent denies the
26 allegation contained in paragraph IV.2.

1 15. Answering paragraph IV.3 of the Complaint, Respondent denies the
2 allegations contained in paragraph IV.3. Respondent asserts that Respondent has made
3 substantial efforts to find water and improve the water situation in Pine, Arizona, but the
4 hydrologic conditions in and around Pine, Arizona make it difficult to find new supplies
5 of water that can be viably delivered to ratepayers.

6 16. Answering paragraph IV.4 of the Complaint, Respondent denies the
7 allegation contained in paragraph IV.4.

8 17. Answering paragraph IV.5 of the Complaint, Respondent lacks knowledge
9 or information sufficient to form a belief as to the truth of the allegation contained in
10 paragraph IV.5, but states that any hardship or injury to property owners as a result of
11 Commission Decision No. 67823 is not the fault of Respondent.

12 18. Answering paragraph IV.6 of the Complaint, Respondent denies the
13 allegation contained in paragraph IV.6 that Respondent is unwilling to provide water
14 service. Additionally, Respondent affirmatively asserts that it is precluded by
15 Commission order from extending service to Complainants' property. Nevertheless, in its
16 October 25, 2006 Will Serve Letter, Respondent indicated a willingness to extend water
17 utility service provided the Commission approved a main extension and granted a
18 variance from the moratorium imposed by Decision No. 67823; however, Complainants
19 have refused to pursue an extension agreement with Respondent.

20 19. Respondent has no response to paragraph IV.7 of the Complaint as
21 paragraph IV.7 was omitted from Complainants' Complaint.

22 20. Answering paragraph IV.8 of the Complaint, Respondent lacks knowledge
23 or information sufficient to form a belief as to the truth of the allegation contained in
24 paragraph IV.8.

25 21. Answering paragraph IV.9 of the Complaint, Respondent asserts that to the
26 extent Complainants are stating a legal conclusion, no response is necessary.

1 Alternatively, Respondent denies the allegation contained in paragraph IV.9.

2 22. Answering paragraph V.1 of the Complaint, Respondent denies the
3 allegation contained in paragraph V.1.

4 23. Answering paragraph V.2 of the Complaint, Respondent denies the
5 allegations contained in paragraph V.2. Additionally, Respondent affirmatively asserts
6 that it is precluded by Commission order from extending service to Complainants'
7 property. Nevertheless, in its October 25, 2006 Will Serve Letter, Respondent indicated a
8 willingness to extend water utility service provided the Commission approved a main
9 extension and granted a variance from the moratorium imposed by Decision No. 67823;
10 however, Complainants have refused to pursue an extension agreement with Respondent.

11 24. Answering paragraph V.3 of the Complaint, Respondent lacks knowledge or
12 information sufficient to form a belief as to the truth of the allegation contained in
13 paragraph V.3.

14 25. Answering paragraph V.4 of the Complaint, Respondent denies the
15 allegation contained in paragraph V.4.

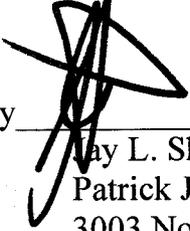
16 26. Answering paragraph V.5 of the Complaint, Respondent denies the
17 allegation contained in paragraph V.5. Respondent asserts that it has made substantial
18 efforts to find water and improve the water situation in Pine, Arizona, but the hydrologic
19 conditions in and around Pine, Arizona make it difficult to find new supplies of water that
20 can be viably delivered to ratepayers.

21 27. Answering paragraph V.6 of the Complaint, Respondent asserts that to the
22 extent Complainants are stating a legal conclusion, no response is necessary.
23 Alternatively, Respondent denies the allegations contained in paragraph V.6. Respondent
24 also asserts that the Staff report referenced in the Complaint did not consider all of the
25 water sources available to Respondent to serve its customers; thus, the conclusion drawn
26 therefrom are erroneous.

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RESPECTFULLY SUBMITTED this 8th day of March, 2007.

FENNEMORE CRAIG, P.C.

By 

Patrick J. Black
3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012
Attorneys for Pine Water Company

ORIGINAL and thirteen (13) copies of the
foregoing filed this 8th day of March, 2007:

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

COPIES mailed
this 8th day of March, 2007.

David W. Davis
3101 N. Central
Suite 1300
Phoenix, AZ 85012

By: 

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