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BEFORE THE ARIZONA CORPORATION COMMISSION

305F

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COMMISSIONERS

- MIKE GLEASON, Chairman
- WILLIAM A. MUNDELL
- JEFF HATCH-MILLER
- KRISTIN K. MAYES
- GARY PIERCE

2007 APR -2 P 12:11
 AZ CORP COMMISSION
 DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
 WEST END WATER COMPANY FOR AN
 EXTENSION OF ITS CERTIFICATE OF
 CONVENIENCE AND NECESSITY.

DOCKET NO. W-01157A-05-0706

**NOTICE OF FILING STAFF'S
 EXCEPTIONS TO THE RECOMMENDED
 ORDER AND OPINION.**

On September 13, 2006, a formal hearing was concluded in the above captioned application. On March 23, 2007, Administrative Law Judge Marc Stern issued a recommended opinion and order ("ROO"). Pursuant to Arizona Administrative Code § R14-3-110(B), exceptions to the ROO are due on April 2, 2007. The Staff of the Utilities Division of the Arizona Corporation Commission ("Staff") hereby respectfully submits the following exceptions.

Staff made two recommendations with respect to water loss issues experienced by West End Water Company ("Company"). Finding of Fact 25 (5) and (6) state Staff's recommendations that the Company file, within 45 days of the effective date of this Decision, a plan to reduce its water loss to less than 10%. If the Company believes that it is not cost effective to reduce its water loss to less than 10%, it shall file a detailed analysis with the Commission's Docket Control explaining why it is not cost effective to do so; and that the Company reduce its water loss to a level that is 15% or less before filing for approval of any new main extension agreements.

Though the ROO recommends denial of the application without prejudice, Staff believes that the recommendations pertaining to water loss should remain even if the Commission denies the application. Therefore, Staff recommends that the Commission adopt the following changes:

INSERT at Page 8, Line 13:
 Finding of Fact 29

Arizona Corporation Commission

DOCKETED

APR 02 2007

DOCKETED BY	KK
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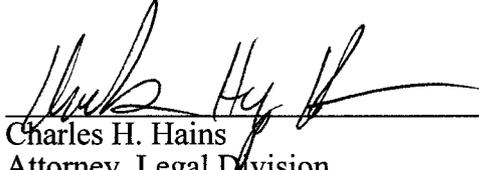
1 We agree with Staff's recommendations as contained in Finding of Facts No. 25, parts 5 and 6.

2 INSERT at Page 9, Line 8:

3 IT IS FURTHER ORDERED that West End Water Company shall file, within 45 days of the
4 effective date of this Decision, a plan to reduce its water loss to less than 10% or, if the West End
5 Water Company believes that it is not cost effective to reduce its water loss to less than 10%, it shall
6 file a detailed analysis with the Commission's Docket Control explaining why it is not cost effective
7 to do so.

8 IT IS FURTHER ORDERED that West End Water Company reduce its water loss to a level
9 that is 15% or less before filing for approval of any new main extension agreements.

10 RESPECTFULLY SUBMITTED this 2nd day of April 2007.

11
12 
13 Charles H. Hains
14 Attorney, Legal Division
15 Arizona Corporation Commission
16 1200 West Washington Street
17 Phoenix, Arizona 85007
18 (602) 542-3402

17 Original and eighteen (18) copies
18 of the foregoing were filed this
19 2nd day of April, 2007 with:

19 Docket Control
20 Arizona Corporation Commission
21 1200 West Washington Street
22 Phoenix, Arizona 85007

21 Copy of the foregoing mailed on the
22 2nd of April, 2007 to:

23 Scott Rhodes
24 JENNINGS STROUSS & SALMON
25 201 East Washington Street, 11th Floor
26 Phoenix, Arizona 85004

City Attorney
City of Surprise
12425 West Bell, Suite D100
Surprise, AZ 85374

25 Joan S. Burke
26 Danielle D. Janitch
27 OSBORN MALEDON
28 2929 North Central Avenue, Suite 2100
Phoenix, Arizona 85012
Attorney for the City of Surprise

