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JUN 15 2007

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DOCKETED BY  
KK

RE: Palo Verde Utilities Company, L.L.C. and Santa Cruz Water Company, L.L.C. – Applications for Extensions of its Certificate of Convenience and Necessity (CC&N) Docket No. SW-03575A-07-0300 and W-03576A-07-0300  
INSUFFICIENCY LETTER

Dear Sirs:

In reference to the above mentioned application filed on May 17, 2007, this letter is to inform you that the application has not met the sufficiency requirements as outlined in the Arizona Administrative Code. The deficiencies are:

1. Please provide a copy of the water usage data for the last 12 months for Santa Cruz Water system.
2. Please provide a set of design plans for the proposed water facilities. The plan should include the proposed water source, distribution facilities and show the site map of the proposed water treatment plant. If final design plans are not available, please provide preliminary plans.
3. Please provide a drinking water design report which clarifies how water will be provided to the proposed CC&N extension area.

The report should identify existing and future sources, the capacities of existing sources, the estimated capacities of future sources and any existing demand on the present water sources.

The report should include the estimated water demand from a typical dwelling unit, the estimated demand from the proposed CC&N extension area.

The report should identify the location of future and existing transmission mains and include the timing or construction phasing of facilities.

The report should describe water quality and address any water quality problems with the existing and future sources of water (for example, will extra treatment costs arise in order to meet existing or future maximum containment levels for arsenic nitrates or fluorides in the drinking water?).

4. Please provide an estimate of the water facilities costs necessary to serve the proposed CC&N extension area. The cost should include a description of the major components with the cost of

the component (i.e., wells, number and size of storage tanks, etc.). The method of financing for the major components should be described in as much detail as possible.

5. Please provide a copy of the wastewater flow records for the last 12 months for Palo Verde including peak flow records.
6. Please provide a set of design plans for the proposed wastewater facilities. The plan should include the proposed wastewater treatment plant, sewer collection facilities and show the site map of the proposed wastewater treatment plant, lift stations, etc. If final design plans are not available, please provide preliminary plans.
7. Please provide a copy of the approved Central Arizona Association of Government ("CAAG") Section 208 Plan which includes the proposed service extension area.
8. If the information is not contained in the §208 plans, please submit a master wastewater design report which clarifies how wastewater service will be provided to the proposed CC&N area.

The report should identify the location of existing and future wastewater treatment plants and major wastewater interceptors. It should also provide the capacities of existing and future wastewater treatment plants, any existing service base in the proposed CC&N extension area, service connections at build out in the proposed CC&N extension area, estimated wastewater flow from a typical dwelling unit.

The report should also include the estimated wastewater total flows or contributions from future build out within the proposed CC&N extension area, the timing or construction phasing of facilities and methods of effluent disposal.

Please include any other information which will allow the Commission to analyze and conclude that the company has sufficient wastewater treatment capacity, or can develop enough treatment capacity to service the existing and future demands from the proposed CC&N.

9. Please provide an estimate of the wastewater facilities costs necessary to serve the proposed CC&N extension area. The cost should include a description of the major components with the cost of each component (i.e., lift stations, treatment facilities, lineal feet off-site sewage interceptors and collection mains, lineal feet of on-site collection mains, etc.). The method of financing for the major components should be described in as much detail as possible.
10. Please provide a copy of the Municipal and/or County franchise agreement that includes the proposed extension area. If the franchise agreement(s) has not been issued, please inform Staff of the status of the application for the franchise agreement.
11. Please provide a copy of the proposed construction schedule for the requested area.
12. Will the requested area in Section 30 be served by a stand alone wastewater treatment plant?  
Please explain.
13. Will any artificial lakes, golf courses, ornamental structures, open spaces, and any other aesthetic water features be built in the requested area? If so, does Global Utilities plan to use groundwater

at the beginning of the project for artificial lakes, golf courses, ornamental structures, open spaces, and any other aesthetic water features, and if so, for how long? Please explain in detail.

14. At what point in time does Global Utilities intend to utilize effluent for artificial lakes, golf courses, ornamental structures, open spaces, and any other aesthetic water features? Please explain in detail. Please be sure to include the number of houses that would have to be built in order to generate enough effluent for such uses.

Staff would like to use this opportunity to bring the following to your attention:

- Pursuant to the Arizona Administrative Code ("A.A.C.") R-14-2-411(C), upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing Opinion and Order to present to the Commission at an Open Meeting; and
- Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0840, Dorothy Hains at 602-542-7274.

Very truly yours,



Blessing N. Chukwu  
Executive Consultant III

BNC

cc: Docket Control  
Del Smith  
Lyn Farmer  
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Vicki Wallace