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June 20, 2007

Office of the City Attorney

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Ms. Linda Janness
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

JUN 25 2007

RE: Proposed Rules
Docket number RW-00000B-07-0051

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Dear Ms. Janness:

This office serves as legal counsel to the City of Peoria, Arizona, an Arizona Municipal Corporation. It is my understanding that the Commission is considering rule changes relating to the notification of cities when public service corporations providing water services expand their Certificates of Need and Necessity inside City Boundaries.

The City of Peoria would request that the Commission consider a rule change to require that any public service corporation seeking to expand their Certificate of Need and Necessity inside a municipal planning area be required to provide advance notice to the City. We believe such a rule fulfills the intent of the legislature in adopting the "Growing Smarter" and "Growing Smarter Plus" amendments to municipal and county planning laws in 2000 and 2001.

Under the provision of the legislative amendments adopted in 2000 and 2001, cities are required to plan for water resources and their public services such as utilities in their planning area.¹ However, under the current system, the lack of advance notice from public service corporations seeking to extend their certificates may result in unnecessary duplication or conflicting facilities, resulting in higher costs to rate payers and municipal customers.

Cities such as Peoria, plan their infrastructure for many years in advance. Our water and wastewater master plans have a 20 year planning period for future infrastructure to serve our planning area, even if not currently annexed. It is important that we are able to take into account plans by public service corporations for future service in updating these plans.

At the same time, the current practice impedes joint planning between cities and public service corporations on how cost savings could be achieved through joint facilities and

¹ See A.R.S. §§9-461.05.D.5; 9-461.05.E.4

planning for infrastructure extensions. As Arizona continues to grow, providing for responsible growth is critical if our quality of life is to be maintained.

Therefore, the City of Peoria, would strongly support the commission's consideration of a rule change to provide that public service corporations seeking to extend their certificates of convenience and necessity within a municipal planning area be required to provide advance notice to the affected city of the request for the extension of the certificate of convenience and necessity.

I would greatly appreciate being added to the contact list in regard to a proposed rule addressing this issue. Thank you for your consideration.

Sincerely yours,

OFFICE OF THE CITY ATTORNEY
CITY OF PEORIA

By 
Stephen M. Kemp, City Attorney

Cc; John F. Wenderski, Deputy City Manager
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Joan Burke, Osborn, Maledon, Attorneys for the
City of Surprise

SMK:jf

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