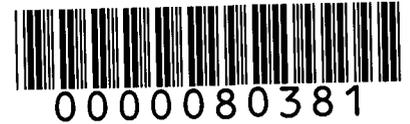


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6 Attorneys for Little Park Water Company, Inc.

JAN 9 2008

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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION OF )	DOCKET NO. W-02192A-07-0326
LITTLE PARK WATER COMPANY INC. FOR )	
AN EXTENSION OF ITS CERTIFICATE OF )	
CONVENIENCE AND NECESSITY TO )	<b>RESPONSE TO PROCEDURAL</b>
PROVIDE WATER SERVICE IN YAVAPAI )	<b>ORDER</b>
COUNTY, ARIZONA. )	

9 1. On May 24, 2007, Little Park Water Company, Inc. ("Little Park") filed an  
10 Application to extend its water Certificate of Convenience and Necessity.

11 2. On November 7, 2007 Judge Marc Stern presided over the evidentiary hearing in  
12 this matter.

13 3. During the Hearing, Little Park President, Stevan Gudovic, testified to the effect  
14 that additional approvals from ADWR were not required to serve Verde Valley School located in  
15 the requested expansion area due to the fact that this was an unsubdivided, commercial property  
16 not required by law to have any additional ADWR approval.

17 4. On December 11, 207, Judge Stern issued a Procedural Order directing the  
18 Company to make a filing supporting Mr. Gudovic's assertions that no additional ADWR  
19 approvals were required for the company to legally serve the Expansion area.

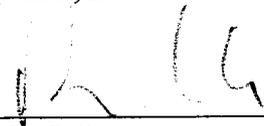
20 3. Subsequent to the Hearing, Counsel for Little Park discussed this matter with  
21 Doug Dunham, the Deputy Assistant Director for Water Management at the Arizona Department  
22 of Water Resources ("ADWR") section administering those requirements. Mr. Dunham  
23 confirmed that the controlling statute for non Active Management Areas such as the subject area,  
is ARS §45-108, which says in pertinent part, "In areas outside of active management areas ...

1 the developer of a proposed subdivision ... shall submit plans for the water supply for the  
2 subdivision and demonstrate the adequacy thereof to meet the needs projected by the developer  
3 to the director." There is no statutory provision or ADWR Rule or Regulation which states the  
4 contraposition, that is, what type of development does not need a Letter of Adequacy. Because  
5 there is not a subdivision that requires a Letter of Adequacy, nor a related distribution system,  
6 and the total water demand for existing and the expansion area does not exceed the Designation's  
7 allocation (which it does not), the Designation does not need to be modified. Mr. Dunham also  
8 confirmed the accuracy of Mr. Gudovic's testimony that although there is no required  
9 amendment or change to the Designation, the water sold to the School would need to be reported  
10 in the Company's annual reporting of sales to ADWR under the Designation. In the event the  
11 Commission desires confirmation of water sales to the expansion area, the Company would be  
12 pleased to provide the Commission with copies of the ADWR Report forms for the first two  
13 years of service to that area.

14 WHEREFORE, Little Park respectfully requests that the Commission issue the  
15 Certificate of Convenience and Necessity with out any requirement or condition pertaining to  
16 additional ADWR approvals.

17 Respectfully submitted this 9<sup>th</sup> day of January 2008.

18 SALLQUIST, DRUMMOND & O'CONNOR, P.C.

19 By: 

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Attorneys for Little Park Water Company, Inc.

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The original and fifteen copies of  
the foregoing were filed this *CFM*  
day of January 2008:

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

Copies of the foregoing were mailed  
this *CFM* day of January 2008 to:

Hearing Division  
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Mr. Doug Dunham  
Arizona Department of Water Resources  
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*WLL*

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