



BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

COMMISSIONERS

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

2008 JAN 10 P 3:42

Arizona Corporation Commission
DOCKETED

JAN 10 2008

SECRET CONTROL

DOCKETED BY

IN THE MATTER OF RULEMAKING TO AMEND EXISTING RULES AND/OR ESTABLISH NEW RULES REGARDING THE COMMISSION'S REQUIREMENTS FOR APPLICATIONS TO OBTAIN A NEW CERTIFICATE OF CONVENIENCE AND NECESSITY OR EXTEND AN EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY FOR WATER AND SEWER UTILITIES

Docket No. RW-00000B-07-0051
RSW-00000A-07-0051

GLOBAL'S COMMENTS TO STAFF'S PROPOSED ORDER

Global,¹ respectfully submits these comments to Staff's proposed order and attached draft rules filed January 2, 2008. Global generally supports the proposed rules and appreciates the time and consideration Staff has put into this matter. However, Global believes that several additional changes should be made to the rules. Global proposed several new rules regarding information concerning water conservation. In addition, Global recommends several technical changes to the rules.

I. Additional changes to the rules to require further information regarding water conservation.

The proposed rules move in the right direction by requiring information regarding water conservation and related topics. Given high growth and limited water resources, these changes are

¹ Global Water – Santa Cruz Water Company, Global Water – Palo Verde Utilities Company, Hassayampa Utility Company, Inc., Global Water – Picacho Cove Water Company, Global Water – Picacho Cove Utilities Company, CP Water Company, Francisco Grande Utility Company, Willow Valley Water Company, Inc., Water Utility of Northern Scottsdale, Inc., Valencia Water Company, Inc., Water Utility of Greater Buckeye, Inc., and Water Utility of Greater Tonopah, Inc. (collectively, the "Global Utilities" or "Global")

1 timely. However, more can be done. Global believes that several additional requirements should
2 be added, as proposed in Global's comments of April 6, 2007, as follows:

- 3
- 4 ● R14-2-402.B.2.p: This proposed subsection currently reads: "The name of the
5 wastewater service provider in the area under application." Global recommends
6 adding "and a description of how the applicant will work with the wastewater
7 service provider to encourage water conservation, including promoting the use of
8 recycled water."
- 9 ● R14-2-402.B.2.r: The proposed subsection does not provide guidance to applicants
10 as to what types of water conservation plans are contemplated. Global suggests that
11 the following language be added. "Such plans shall include, at a minimum, the
12 following: (1) a description of the information about water conservation that the
13 utility provides to its customers or the public; (2) a description of the sources of
14 water that will be used to supply parks, recreational areas, golf courses, greenbelts,
15 ornamental lakes, and other aesthetic water features; (3) a description of plans for
16 the use of recycled water; (4) a description of the plans for the use of recharge
17 wells; (5) a description of the plans for the use of surface water; (6) a description of
18 any other plans or programs in place to promote water conservation."
- 19 ● R14-2-402.B.2.u. This proposed subsection currently reads: "Physical Availability
20 Determination, Analysis of Adequate Water Supply, or Analysis of Assured Water
21 Supply from the Arizona Department of Water Resources, or in the alternative, the
22 status of the application." This provision does not go far enough because a PAD or
23 analysis does not represent a finding by ADWR that water of sufficient quality will
24 be legally and continuously available for 100 years. For example, in some cases,
25 the water could be used by another entity (i.e. it is not reserved) or the water may
26 not have sufficient quality for the proposed uses. The Commission should require a
27 Certificate of Assured Water Supply (CAWS) or Designation of Assured Water

1 Supply (DAWS). Only a CAWS or a DAWS represents a determination that water
 2 of sufficient quality will be legally, physically and continuously available for 100
 3 years. Therefore, Global recommends that this proposed section be replaced with
 4 the following: “Designation of Assured Water Supply, Designation of Adequate
 5 Water Supply, Certificate of Assured Water Supply, or Certificate of Adequate
 6 Water Supply from the Arizona Department of Water Resources, or in the
 7 alternative, the status of the application before the Arizona Department of Water
 8 Resources.”

9 **II. Technical Comments.**

- 10 ● R14-2-402.A and R14-2-602.A. The proposed rules move the definition of
 11 contiguous from the end of the section to the beginning. The purpose of this
 12 change is not apparent. If the change is kept, there are a number of cross-references
 13 that should be updated to reflect the new numbering, as follows:

15 Location in Proposed Rules	Current Cross-Reference	Change to
16 R14-2-402(B)(2)(c)	R14-2-402(A)(d)	R14-2-402(B)(2)(d)
17 R14-2-402(B)(2)(j)(viii)	R14-2-402(A)(2)(c)	R14-2-402(B)(2)(c)
18 R14-2-402(B)(2)(j)(ix)	R14-2-402(A)(2)(i)	R14-2-402(B)(2)(i)
19 R14-2-602(B)(2)(c)	R14-2-602(A)(2)(e)	R14-2-602(B)(2)(e)
20 R14-2-602(B)(2)(k)(viii)	R14-2-602(A)(2)(c)	R14-2-602(B)(2)(c)
21 R14-2-602(B)(2)(k)(ix)	R14-2-6-2(A)(2)(j)	R-14-2-602(B)(2)(j)

- 22
- 23 ● R14-2-402.B.2.h. and R14-2-602.B.2.j. The proposed rules add the sentence “If
 24 construction is to be phased, the phases shall be described in detail.” The phrase
 25 “described in detail” is vague and does not provide adequate guidance to applicants.
 26 It should be defined or deleted. In addition, this addition is not practical.
 27

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Typically, applicants can provide information about the first phase, and can provide the final build-out information. However, decisions about intermediate phases typically have not been made. For example, if parcel "X" is in a CC&N extension, but is not in the first phase of construction, the utility will typically not know if parcel X will be in phase 2, phase 3, etc. This is because the developer has generally not made decisions about the exact nature of each future phase.

Decisions about phasing are often influenced by a multitude of factors that are not known during the CC&N process, such as future housing market conditions, when various permits and zoning changes are issued and the development of adjacent areas. All of these factors may influence phasing decisions. Thus, it is simply not practical to provide detailed information about each phase.

Moreover, such a requirement runs counter to the principles of regional planning. Under a regional plan, a utility develops a framework for addressing future demand. However, details of how the plan is implemented are constantly adjusted based on changing circumstances, so the utility can construct the most efficient and sound infrastructure based on the most recent information.

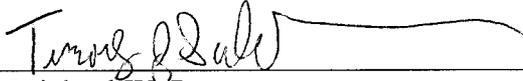
For these reasons, Global suggests that the new sentence be modified to read as follows: "If construction is to be phased, the applicant shall provide the information required in R14-2-402.B.2.c with respect to the first phase."

ROSHKA DEWULF & PATTEN, PLC
ONE ARIZONA CENTER
400 EAST VAN BUREN STREET - SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO 602-256-6100
FACSIMILE 602-256-6800

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

RESPECTFULLY SUBMITTED this 10th day of January, 2008.

ROSHKA DEWULF & PATTEN, PLC

By 
Michael W. Patten
Timothy J. Sabo
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004

Attorneys for the Global Utilities

Original + 15 copies of the foregoing
filed this 10th day of January 2008, with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

Copies of the foregoing hand-delivered/mailed
this 10th day of January 2008, to:

Chairman Mike Gleason
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Commissioner William A. Mundell
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Commissioner Jeff Hatch-Miller
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

ROSHKA DEWULF & PATTEN, PLC
ONE ARIZONA CENTER
400 EAST VAN BUREN STREET - SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO 602-256-6100
FACSIMILE 602-256-6800

1 Commissioner Kristin K. Mayes
2 Arizona Corporation Commission
3 1200 West Washington
4 Phoenix, Arizona 85007

5 Commissioner Gary Pierce
6 Arizona Corporation Commission
7 1200 West Washington
8 Phoenix, Arizona 85007

9 Lyn A. Farmer, Esq.
10 Chief Administrative Law Judge
11 Hearing Division
12 Arizona Corporation Commission
13 1200 West Washington
14 Phoenix, Arizona 85007

15 Christopher C. Kempley, Esq.
16 Chief Counsel, Legal Division
17 Arizona Corporation Commission
18 1200 West Washington
19 Phoenix, Arizona 85007

20 Ernest G. Johnson, Esq.
21 Director, Utilities Division
22 Arizona Corporation Commission
23 1200 West Washington
24 Phoenix, Arizona 85007

25
26
27
