

ORIGINAL

NEW APPLICATION



Noble Law Offices

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RECEIVED

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2008 MAR -5 A 9:49

March 4, 2008

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
Utilities Division
Docket Control Section
1200 West Washington
Phoenix, AZ 85007

W-02386A-08-0129

Arizona Corporation Commission
DOCKETED

MAR - 5 2008

Re: **Sun Leisure Estates Utilities Company, Inc.**
Application for Emergency Rate Increase

DOCKETED BY	
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Our firm represents Sun Leisure Estates Utilities Company, Inc. (The "Company"). In March of 2000, the Company came before the Arizona Corporation Commission (the "Commission") seeking an emergency interim rate increase in order to drill a back-up well for the Sun Leisure Estates Subdivision (the "Subdivision"). At that time, residents feared the consequences of being left without a water supply, should the only well servicing the Subdivision fail. The Commission subsequently granted the Company's petition and a new back-up well was drilled using the funds collected from a one-time surcharge to the residents of the Subdivision.

The Company presently finds itself in a similar predicament. In May of 2007, the Company's original well and pump failed—as feared—leaving the Subdivision to rely solely on the back-up well for its water needs. Well drillers have informed the Company that subterranean conditions and the fact that the well has previously been re-sleeved render the original well permanently inoperable.

Because the Company services approximately 57 customers in an age-restricted senior citizen community, one can easily understand the seriousness of ensuring that an adequate and dependable water supply is available. Should the existing former back-up well collapse the residents of the Subdivision (many of whom remain year-round) would be stranded with no reasonable alternative water supply.

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Because of the Subdivision's location, water from the City of Yuma is not available for the Subdivision. Even if water was transported in from another source, the Company has no infrastructure to store or charge the water for residential use.

According to Attorney General Opinion No. 71-17, interim or emergency rates are proper when: (1) sudden change brings hardship to a Company; (2) the Company is insolvent; or (3) **the condition of the Company is such that its ability to maintain service pending a formal rate determination is in serious doubt.**

The situation facing Sun Leisure Utilities Co. undoubtedly qualifies under the third criteria above. Due to the sandy soils underlying the Subdivision, and the history of previous well and pump failure in the area, it is likely that the current well could fail sometime in the near future, leaving the Company with no reasonable means to maintain service to its customers.

The Company therefore requests that it be granted permission to implement a new one-time surcharge to its customers in order to drill a new well and install a new pump to back-up and secure the Subdivision's water supply. The Company estimates that a new well and pump will cost approximately \$19,500. Please see the estimate from Schuck Drilling AZ, LLC attached. A flow meter for the new well is estimated to cost an additional \$1000. Other costs, including attorneys fees, are estimated at \$5,000. The total is estimated at \$25,500. Therefore a surcharge of approximately \$450 per customer is estimated to cover these costs.

The Company has determined the new well should be drilled approximately 20 feet to the northwest of the currently functioning well drilled in 2000. A map from the 2000 well petition is attached hereto, with an arrow tab marking the location of the proposed 2008 well.

The Company recently sent out a letter to the 57 customers of Sun Leisure Estates informing them of the need for a new well and outlining the potential costs associated therewith. Additionally, the Company held a public meeting on February 26, 2008, in which residents/customers were asked to vote on the

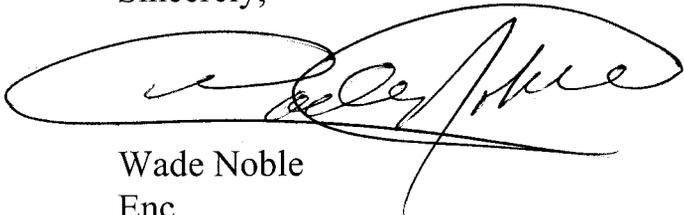
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proposed interim rate increase. The vast majority of those customers in attendance voted for the increase, with none specifically voting against it.

Therefore, Sun Leisure Estate Utilities Company, Inc. submits this petition for an emergency surcharge and asks that this matter be placed on calendar for hearing before the Arizona Corporation Commission.

If additional information is needed or you have any questions, please do not hesitate to contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "Wade Noble", is written over a large, horizontal oval scribble.

Wade Noble
Enc

Quotation

Shuck Drilling AZ LLC
 18927 South Ave 3E
 Yuma, AZ 85365
 USA

Quote Number:
 832

Quote Date:
 Oct 16, 2007

Page:
 1

Quoted to: *Son Leisure*

CHUCK SWYSGOOD
 1481 MICHELLE LANE
 YUMA, AZ 85365

Customer ID	Good Thru	Payment Terms	Sales Rep
SWYSGOOD	11/15/07	Net 10th of Next Month	

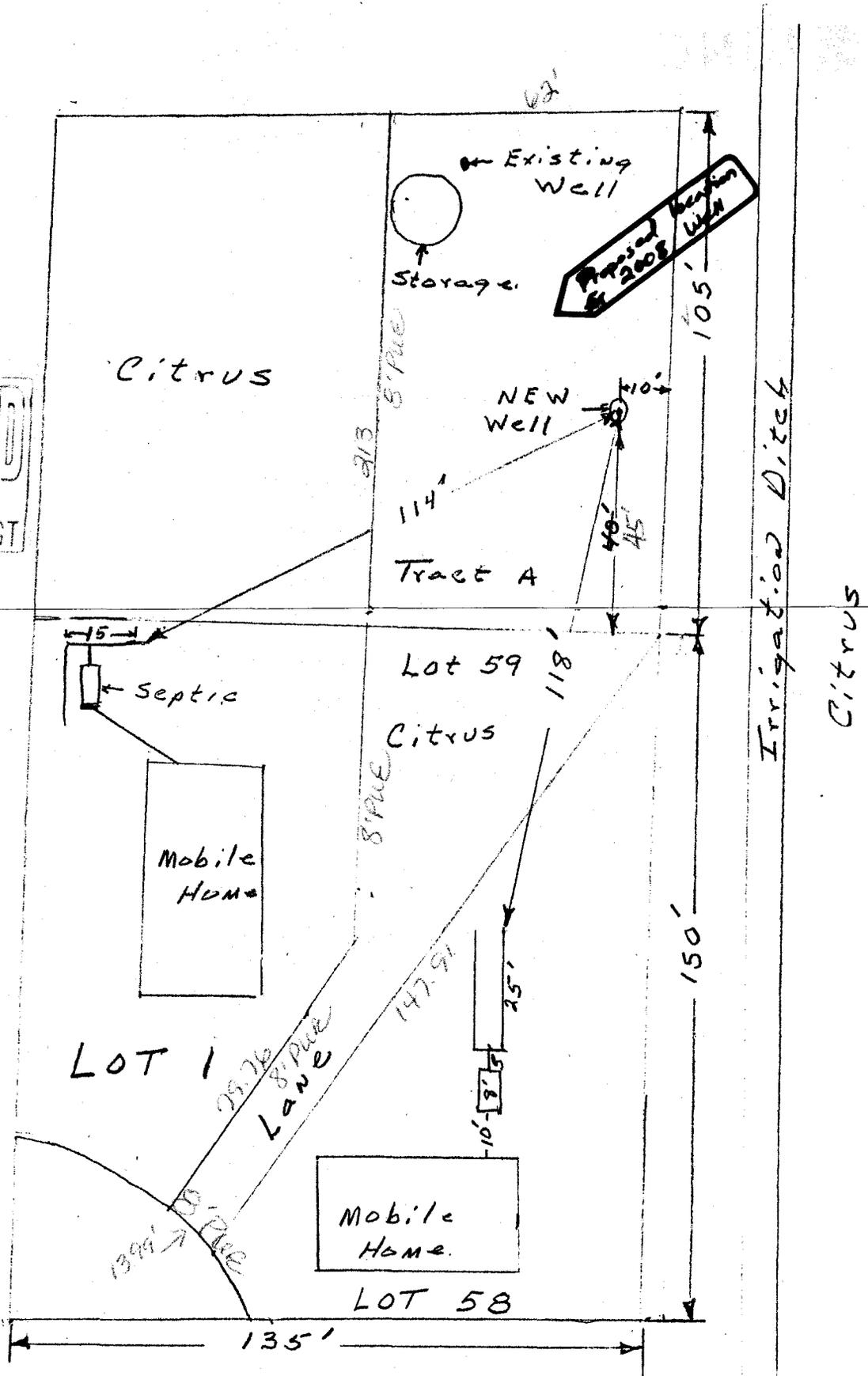
Quantity	Item	Description	Unit Price	Extension
1.00		16" X 20' SURFACE CASING CEMENTED IN PLACE.	1,500.00	1,500.00
240.00		DRILL 240' 14-3/4" BOREHOLE.	30.00	7,200.00
60.00		60' X 8" PERFORATED PIPE .050.	14.00	840.00
180.00		180' X 8" BLANK SDR 21 PIPE.	10.00	1,800.00
1.00		150S150-6 GRUNDFOS PUMP 15 HP/150 GPM/STAINLES STEEL CONSTRUCTION.	4,050.00	4,050.00
147.00		FT 3" GALVANIZED DROP PIPE.	8.00	1,176.00
150.00		FT 8-4 SUB CABLE.	2.75	412.50
1.00		WELL SEAL/TOP T/AIR VENT/1" RELIEF VALVE.	500.00	500.00
1.00		INSTALL PUMP.	800.00	800.00

Chuck - This pump got this up pretty high. If you want to check out the other pump, I couldn't blame you
Don

Subtotal	18,278.50
Sales Tax	844.47
Total	19,122.97

DEC 12 2000
GROUNDWATER MGT

N



Scale 1" = 30' SUN Leisure Estates