

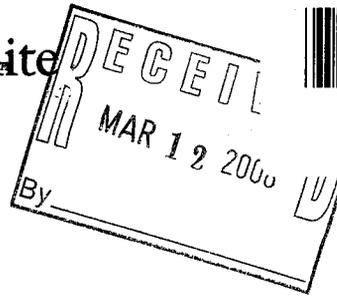


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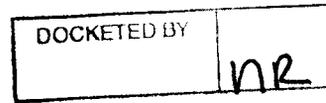
March 12, 2008

Via Hand Delivery

Mike Gleason, Chairman  
Jeff Hatch-Miller, Commissioner  
William Mundell, Commissioner  
Kristin Mayes, Commissioner  
Gary Pierce, Commissioner  
1200 W. Washington  
Phoenix, Arizona 85007-2996

Arizona Corporation Commission  
DOCKETED

MAR 12 2008



Re: In the Matter of Rulemaking to Amend Existing Rules and/or Establish New Rules Regarding the Commission's Requirements for Applications Requesting Approval to Obtain a New Certificate of Convenience and Necessity or Extend an Existing Certificate of Convenience and Necessity for Water and Sewer Utilities  
(Docket Nos. RW-00000B-07-0051 and RSW-00000A-07-0051)

Dear Chairman and Commissioners:

On January 14, 2008, on behalf of Pulte Home Corporation ("Pulte"), I submitted comments relating to proposed changes to Commission rules R14-2-402 and R14-2-602. On January 15, 2008, the Commission considered the proposed rule changes, and made several amendments. Pulte appreciates the opportunity to review and comment on the amendments made at the January 15, 2008 Open Meeting.

In its prior comments submitted on January 14, 2008, Pulte expressed concern regarding the implications of the rule changes in subsections R14-2-402(B)(2)(q) and (r) [now subsections (r) and (s)]. The proposed changes to these subsections expand the information the Commission requires from a new CC&N applicant or an applicant for a CC&N expansion to include substantially more information about the landowner's or developer's land use, water use, and conservation plans. Pulte is concerned that by virtue of requesting the information, the Commission may intend to use the CC&N approval and extension processes to attempt to influence or restrict a landowner's water or land uses in a manner inconsistent with existing rights or other laws already in place regarding such uses. It appears from comments made at the January 15, 2008 Open Meeting the Commissioners have opinions on both sides of this issue. In

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addition to this serious concern, which applies also to the language in R14-2-602(B)(2)(q) (requiring a description of effluent disposition plans), Pulte provides the following comments to supplement its January 14, 2008 comments.

Subsection R14-2-402(B)(2)(r) will require “[a] description of how water will be provided for golf courses, ornamental lakes, other aesthetic water features, greenbelts, or parks within the area under application.” Subsection R14-2-402(B)(2)(s) will require the submission of “[p]lans or description of water conservation measures.” At the January 15 Open Meeting, subsection R14-2-402(B)(2)(s) was expanded by an amendment to include the following sentence: “Such plans shall include, at a minimum, the following: (1) a description of the information about water conservation or water saving measures that the utility provides to the public and its customers; (2) a description of the sources of water that will be used to supply parks, recreation areas, golf courses, greenbelts, ornamental lakes, and other aesthetic features; (3) a description of plans for the use of recycled water; (4) a description of plans for the use of recharge wells; (5) a description of plans for the use of surface water; (6) a description of any other plans or programs in place to promote water conservation.” This new amendment language is mandatory, in that a water company “shall” provide the descriptive information now listed in subsection R14-2-402(B)(2)(s). Subsection (r) could be interpreted to be mandatory as well. If the required information is not available at the time of application, or not applicable to a particular parcel of land, the rule as currently drafted does not make clear enough that the CC&N application can be determined complete and correct and can be processed through a decision and hearing without it. Due to the length of time needed to process a CC&N application, detailed plans such as those contemplated in this new language may not yet be available at the time service is requested, or plans may change as contract negotiations and permitting processes proceed. Master planned communities are often phased, and parcels may be included in the proposed CC&N area for which such plans may not exist or evolve until well after water service commitments are needed and water service is started. The rule language should be changed to reflect the possibility the listed information may not be available, such as:

**R14-2-402(B)(2)(r):**

If available, a description of how water will be provided for golf courses, ornamental lakes, other aesthetic water features, greenbelts, or parks within the area under application.

**R14-2-402(B)(2)(s):**

Plans or description of water conservation measures. Such plans shall include, if available, ~~at a minimum~~, the following: (1) a description of the information

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about water conservation or water saving measures that the utility provides to the public and its customers; (2) a description of the sources of water that will be used to supply parks, recreation areas, golf courses, greenbelts, ornamental lakes, and other aesthetic features; (3) a description of plans for the use of recycled water; (4) a description of plans for the use of recharge wells; (5) a description of plans for the use of surface water; (6) a description of any other plans or programs in place to promote water conservation.

Pulte appreciates the opportunity to comment in writing on the proposed rules as amended.

Sincerely,



Michele Van Quathem

cc: Ernest Johnson, Director, Utilities Division  
Christopher Kempley, Chief Counsel, Legal Division  
Lynn A. Farmer, Chief Administrative Law Judge, Hearing Division  
Docket Service List  
Mike Brilz, Pulte Home Corporation  
Christopher Ward, Pulte Home Corporation