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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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MIKE GLEASON - Chairman
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AZ CORP COMMISSION
DOCKET CONTROL

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

DOC KET NO. : RW-00000B-07-0051
(Water Rulemaking)

DOCKET NO.: RSW-00000A-07-0051
(Sewer Rulemaking)

**RESPONSE TO COMMENTS ON
PROPOSED RULES**

Arizona Water Company's response to certain comments on the proposed water rules contained in the January 24, 2008 procedural order entered on January 24, 2008 in the above-captioned matter are attached.

RESPECTFULLY SUBMITTED this 15th day of April, 2008.

ARIZONA WATER COMPANY

Arizona Corporation Commission
DOCKETED

APR 15 2008

By: *Robert W. Geake*

Robert W. Geake
Vice President and General Counsel
ARIZONA WATER COMPANY
Post Office Box 29006
Phoenix, Arizona 85038-9006



1 Original and thirteen (15) copies of the foregoing filed the 15th day of April, 2008 with:

2
3 Docket Control Division
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 A copy of the foregoing was hand-delivered this 15th day of April, 2008 to:

8 Christopher Kempley, Chief Counsel
9 Legal Division
10 Arizona Corporation Commission
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12 Phoenix, Arizona 85007

13 Ernest G. Johnson, Director
14 Utilities Division
15 Arizona Corporation Commission
16 1200 West Washington Street
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By: Robert V. Seaba

ARIZONA WATER COMPANY

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April 15, 2008

Mr. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Docket No. RW-00000B-07-0051 and RSW-00000A-07-0051 - 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

Dear Mr. Johnson:

Arizona Water Company (the "Company") provides the following response to the comments filed in this matter by the Cities of Surprise, Goodyear, and Avondale (the "Cities") on March 28, April 3 and April 4, 2008, respectively.

The comments, which are very similar, each were filed in support of Sections 14-2-402(B)(2)(j) and (l) of the Water Rules that would require an applicant for an initial certificate of convenience and necessity ("CCN") or an extension of an existing CCN to include with its application a copy of a notice to the municipal manager or administrator of each municipality located within five (5) miles of the area under application, and to show the location of the municipal boundaries of cities or towns located within five (5) miles of the area under application.

The Company disagrees with the Cities' comments because these requirements are not necessary. The Cities' comments fail to acknowledge the numerous other requirements that the Water Rules would impose. As the Company pointed out most recently in its March 17, 2008 comments, the new notice and map requirements would add to the regulatory burden that CCN applicants would face if the Water Rules were adopted as proposed. In addition, the City of Surprise provides no support for its argument that municipalities would have to implement "time consuming and costly monitoring programs" for CCN applications if the notice and map requirements are not adopted. The Commission's e-docket service provides on-line filing information, including entire CCN applications, which may be easily monitored by anyone with even rudimentary computer skills. The Cities, in contrast, seem quite willing to allow applicants to absorb additional expenses of filing CCN applications.

E-MAIL: mail@azwater.com

ARIZONA WATER COMPANY

To: Mr. Ernest G. Johnson
Re: Docket No. RW-00000B-07-0051

April 15, 2008
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The Company again urges the Commission to reject both new proposals, and to handle these requirements, as it does now, through its Staff on a case-by-case basis.

Thank you for the opportunity to amplify our previous comments. Also, the Company supports the Commission's decision to have additional public comment sessions concerning changes to the Water Rules.

Please feel free to contact me to discuss the Company's comments or any question about them that you may have.

Very truly yours,



William M. Garfield
President

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