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MEMORANDUM

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TO: Docket Control Center

FROM: Ernest G. Johnson
Director
Utilities Division

2008 JUL 25 A 10:47

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

JUL 25 2008

DATE: July 25, 2008

DOCKETED BY

RE: WEST END WATER COMPANY - REQUEST FOR EXTENSION OF COMPLIANCE
DEADLINE (DOCKET NO. W-01157A-05-0706)

In Decision No. 69672, dated June 28, 2007, the Arizona Corporation Commission (“Commission”) approved the application of West End Water Company (“West End Water” or “Company”) for an extension of its Certificate of Convenience and Necessity.

As part of Decision No. 69672, the Commission ordered the following:

- 1) “that the Company file, by December 31, 2007, with the Commission’s Docket Control, as a compliance item in this docket, a copy of the Maricopa County Environmental Services Department Approval to Construct (“ATC”) for the new wells and storage tank.”
- 2) “that the Company file, by December 31, 2007, with the Commission’s Docket Control, as a compliance item in this docket, a copy of the developer’s Certificate of Assured Water Supply, where applicable or when required by Statute.”
- 3) “that the Company file, within 365 days of the effective date of this Decision, with the Commission’s Docket Control, as a compliance item in this docket, a Notice of Filing indicating West End has submitted for Staff review and approval, a copy of the fully executed main extension agreements for water facilities for the extension area.”

On October 19, 2007, West End docketed a request for extension of time until July 31, 2008 for the ATC and the Certificate of Assured Water Supply (“CAWS”) – Item Nos. 1 and 2, above. On December 7, 2007, Staff filed a memorandum of response in which it did not object to the July 31, 2008 extension dates. On December 26, 2007, via a Procedural Order, the Commission approved the extension of the ATC and CAWS deadlines to July 31, 2008.

An ATC filing was subsequently made on June 5, 2008 and included one ATC for a well and one for a storage tank. In reviewing the ATC filings, Staff found that they were not issued to West End but rather to the developers (see attached). Because of this, Staff informed the Company that, prior to the Commission accepting the ATCs as final compliance, West End would be required to demonstrate ownership transfer of the well/storage tank from the developers to the Company or

provide the Commission with separate ATCs in the name of the Water Company. This item therefore remains out of compliance.

On June 27, 2008, West End docketed a request for extension of time on the CAWS and the MXA requirements, Item Nos. 2 and 3, above. This represented the second time extension request for the CAWS and the first for the MXA requirement. The CAWS has yet to be provided and now has a July 31, 2008 due date. The MXA was ordered within 365 days from the date of Decision No. 69672 – placing the due date on or about June 28, 2008. Unfortunately, both the June 27, 2008 and a follow up July 3, 2007 filing for this current extension request appeared incomplete. Staff contacted Mr. Marvin Collins, West End's manager, to inquire as to the correctness of each filing. Mr. Collins stated that neither was correct and that it was the Company's intent to seek an extension of time until December 31, 2008 for both the CAWS and the MXA under Docket No. W-01157A-05-0706. He promised to make another filing which would withdraw the first two applications and properly outline West End's request.

On July 15, 2008, Mr. Collins docketed the new application for extension under the correct docket and withdrew the previously filed applications. In the new application (see attached), the Company stated that the extension area is part of a larger master planned community (Walden Ranch) that is being developed cooperatively with Rancho Maria master planned community. Provisions for water facilities are being both planned and constructed on a regional basis. In addition, ADWR requested that the Company expand the hydrologic study submitted with the CAWS application to include portions of the west valley around the Walden Ranch project. The time required to expand the study has delayed the CAWS. The company therefore seeks an extension of time on the CAWS and the MXA until December 31, 2008. The application further states that the MXA would be finalized upon issuance of the CAWS.

On July 15, 2008, Staff contacted Mr. Collins to inquire why the filing of the MXA was connected with the CAWS. Mr. Collins stated that the December 31, 2008 MXA extension date was selected for consistency with the CAWS and for covering any unexpected delays, inferring that it was not because the items were connected operationally. He stated that two developers, Walden Farms and Woodside Homes, are involved in the projected MXA and are negotiating over which entity will pay for which facilities. Mr. Collins committed to filing the MXA as soon as it is finalized, perhaps within weeks, but explained that it was being delayed due to negotiations outside his control. He further stated that the MXA would include a transfer of the well and storage tank ownership to the Company to meet Staff's requirement on the ATC compliance.

Staff Recommendation

Based on the application and all of the above, Staff does not object to the Company requests for extension of the CAWS and MXA requirements until December 31, 2008, with the caveat that the Company agrees to file the MXA upon its completion but no later than December 31, 2008. The MXA filing should clearly address the finalization of the ATC compliance on the well and the storage tank issue which is outlined in Item No. 1 above. Mr. Collins has stated that this will be accomplished via ownership transfers in the MXA agreement. In order to provide appropriate time for this ATC related work and to match Staff's MXA recommendation, Staff recommends that the

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current July 31, 2008 deadline on the ATC filing also be extended until December 31, 2008. This will not only provide West End with an extension of time but will also serve to synchronize the three due dates for efficiency and compliance purposes.

EGJ:BKB:lm

Originator: Brian K. Bozzo

Attachment

SERVICE LIST FOR:
DOCKET NO.

WEST END WATER COMPANY
W-01157A-05-0706

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Ms. Lyn Farmer
Chief Administrative Law Judge
Hearing Division
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WEST END WATER CO.

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Phone: (623) 972-6133
Fax: (623) 566-8925

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2008 JUL 14 A 11:17

AZ CORP COMMISSION
DOCKET CONTROL

July 14, 2008

Brian K. Bozzo
Compliance and Enforcement Manager
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1200 W. Washington St.
Phoenix, Arizona 85007

07-14-08P02:31 RCVD

**RE: West End Water Co. CC&N Expansion Docket No. W-01157A-05-0706,
Decision No. 69672**

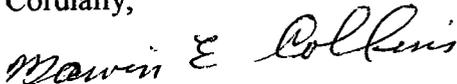
Dear Mr. Bozzo:

West End Water Co. respectively request to withdraw the items docketed on June 27, 2008 and July 3, 2008.

Please except the enclosed documentation for Docket No. W-01157A-05-0706, Decision No. 69672.

If you have any questions I can be reached at (623) 972-6133 or by cell phone at (623) 640-9992.

Cordially,



Marvin E. Collins,
Manager

Original and 13 copies delivered to:

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

WEST END WATER CO.

9098 W. Pinnacle Peak Road
Peoria, Arizona 85383
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July 14, 2008

Brian K. Bozzo
Compliance and Enforcement Manager
Utilities Division
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, Arizona 85007

**RE: West End Water Co. CC&N Expansion Docket No. W-01157A-06-00706,
Decision No. 69672**

Dear Mr. Bozzo:

The above referenced Decision granted by the Arizona Corporation Commission on June 28, 2007 requires West End Water Co. to file with Docket Control several compliance items. West End Water Co. has filed the Maricopa County Environmental Services Department Approval to Construct for the new wells and storage tank and a plan to reduce its water loss to less than 10%, as required by Finding of Fact No. 25 Item No. 3 and Finding of Fact No. 25 Item No. 5, respectively.

Finding of Fact No. 25 Item No. 4 states, "that the Company file, By December 31, 2007, with the Commission's Docket Control, as a compliance item in this docket, a copy of the developer's Certificate of Assured Water Supply, where applicable or required by statute." By Procedural Order issued December 26, 2007, the date for filing the required Certificate of Assured Water Supply was extended until July 31, 2008.

Finding of Fact No. 25 Item No. 2 states, "that the Company file, within 365 days of the effective date of this Decision, with the Commission's Docket Control, as a compliance item in this docket, a Notice of filing indicating West End has submitted for Staff review and approval, a copy of the fully executed main extension agreements for water facilities for the extension area;"

West End Water Co. respectfully requests an extension until December 31, 2008 to comply with the filing of the Certificate of Assured Water Supply and of the main extension agreement for the extension area.

The extension area is part of the larger master planned community of Walden Ranch and is being developed cooperatively with the Rancho Maria master planned community. As such, provisions for the water supply, storage facilities, pumping facilities, and other off-site facilities are being planned on a regional basis and will be constructed on a regional basis. In addition to this level of regional planning and coordination, ADWR requested

that the hydrologic study prepared and submitted with the developer's assured water supply application be expanded to encompass a large portion of west valley surrounding the Walden Ranch project. The developer's consultant has prepared the expanded study, and it is currently under review by ADWR. However, the time required to prepare the expanded study has delayed the assured water supply beyond the originally projected time-line. Currently, the developer expects that the assured water supply will be issued within the next 90 to 120 days.

West End Water Co. believes that the developer is correct in their estimate of the projected date ADWR will issue the assured water supply. The required main extension agreement has been prepared and will be finalized upon issuance of the Certificate of Assured Water Supply. West End Water Co. is requesting an extension of approximately 180 days, to December 31, 2008, to allow sufficient time should any additional unexpected minor delays occur.

Cordially,



Marvin E. Collins
Manager

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