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Douglas G. Martin - 004233

MARTIN & BELL, L.L.C.

365 East Coronado Road, Suite 200

Phoenix, Arizona 85004

Telephone: (602) 230-0030

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ARIZONA CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

JUN - 8 2009

Attorneys for WILHOIT WATER COMPANY,  
INC

DOCKETED BY 

**BEFORE THE ARIZONA CORPORATION COMMISSION**

In the Matter of THE APPLICATION OF  
WILHOIT WATER COMPANY, INC.,  
THUNDERBIRD MEADOWS SYSTEM,  
FOR RETROACTIVE APPROVAL OF A  
FINANCING APPLICATION

DOCKET NO. W-02065A-07-0306

In the Matter of THE APPLICATION OF  
WILHOIT WATER COMPANY, INC.,  
THUNDERBIRD MEADOWS SYSTEM,  
FOR APPROVAL OF A FINANCING  
APPLICATION

DOCKET NO. W-02065A-07-0307

In the Matter of THE APPLICATION OF  
WILHOIT WATER COMPANY, INC.,  
THUNDERBIRD MEADOWS SYSTEM,  
FOR APPROVAL OF A PERMANENT  
RATE INCREASE

DOCKET NO. W-02065A-07-0312

**COMMENTS TO  
SUPPLEMENTAL STAFF  
REPORT**

In the Supplemental Staff Report dated May 29, 2009 on the above referenced matter, Staff addresses four issues. The Company agrees with Staff on items 1) and 2) dealing with property tax issues.

The Company agrees with Staff on item 3) regarding rates in this matter and believes the Staff recommendations on surcharges should reflect a minor adjustment based on a revised estimate to construct the required storage facilities (Exhibit A).

The Company disagrees with Staff on item 4) regarding the settlement agreement between Walden Meadows Community Co-op (Walden) and the Company. The

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1 agreement modification requested by Staff would have no real world impact on  
2 availability of water to be purchased by the Company. The letter from Steve Wene  
3 (Attorney representing Walden) dated December 23, 2008 represents a binding  
4 agreement between Walden and the Company. When the Company sought an  
5 amendment to the 1986 agreement between Walden and the Company, we were told by  
6 Walden that no modification to the agreement would be made. The Company believes it  
7 is in compliance with the requirement to provide adequate water supplies to its  
8 customers. However, if the Commission concludes that a modification is the 1986  
9 agreement is required, the Commission should require Walden to do so. The Company  
10 does not believe that is necessary based upon the December 23, 2008 facts that followed  
11 the litigation between Walden and the Company. That peaceful agreement result  
12 providing for future needs is adequate and avoids \$490,000 of estimated costs to the  
13 company and its customers to find and route new water sources.

14 DATED this 8<sup>th</sup> day of June, 2009.

15  
16 MARTIN & BELL, L.L.C.

17  
18  
19 By 

20 Douglas G. Martin  
21 365 East Coronado Road, Suite 200  
22 Phoenix, Arizona 85004  
23 Attorneys for Wilhoit Water Company, Inc.

24 ORIGINAL filed with copies  
25 mailed/delivered this 6<sup>th</sup> day  
26 of June, 2009 to:

27 Janice Alward, Chief Counsel  
28 Legal Division  
29 ARIZONA CORPORATION COMMISSION

1 1200 West Washington Street  
Phoenix, AZ 85007

2 Ernest G. Johnson, Director  
3 Utilities Division  
4 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
5 Phoenix, AZ 85007

6 Lyn Farmer, Chief  
7 Hearing Division  
8 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, AZ 85007

9 Arizona Reporting Service, Inc.  
2200 North Central Avenue, Suite 502  
10 Phoenix, AZ 85004

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V

Wilhoit Water Company  
 Summary of Permitting, Engineering and Construction Costs  
 FANN ENVIRONMENTAL

Item	Description	Cost (\$)
1	<b>Engineering Services</b> Design, site investigation, permitting assistance, construction inspeciton, as-builts	\$17,880
2	<b>Construction Services</b> 60,000 Gallon Tank, tank pad, mechanical piping Electrical Fence	\$112,000 \$3,600 \$4,500
3	<b>Permitting</b> Legal Description Yavapai County Use Permit	\$125 \$825
	<b>SUBTOTAL</b>	\$138,930
4	<b>5% Contingency</b>	\$6,947
	<b>TOTAL</b>	<b>\$145,877</b>