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REHEARING OCT 13 2009



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SEP 21 2009

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1 FENNEMORE CRAIG
2 A Professional Corporation
3 Patrick J. Black (No. 017141)
4 3003 North Central Avenue, Suite 2600
5 Phoenix, Arizona 85012
6 Telephone: (602) 916-5400
7 Email: pblack@fclaw.com
8 Attorneys for Oak Creek Water Company No. 1

BEFORE THE ARIZONA CORPORATION COMMISSION

9
10 IN THE MATTER OF THE APPLICATION
11 OF OAK CREEK WATER COMPANY NO. 1
12 FOR A TARIFF FILING TO IMPLEMENT AN
13 OFF-SITE FACILITIES HOOK-UP FEE
14 TARIFF

DOCKET NO: W-01392A-09-0272

OAK CREEK WATER COMPANY
NO. 1'S APPLICATION FOR
REHEARING PURSUANT TO
A.R.S. § 40-253

15 Pursuant to A.R.S. § 40-253, Oak Creek Water Company No. 1 ("Oak Creek" or
16 the "Company") hereby files the Application for Rehearing in the above-captioned matter.

17 On September 3, 2009, the Arizona Corporation Commission ("Commission")
18 issued Decision No. 71252, which authorized a new Offsite Facilities Hook-Up Fee Tariff
19 ("HUF Tariff") recommended by Staff, despite the Company's request to withdraw the
20 application. See Exhibit 1. The basis for the Company's request was, and continues to
21 be, that the data and information Staff used to calculate hook-up fees are no longer
22 applicable. The cost estimates for water infrastructure to serve existing and future
23 customers were based on service requests by two developers who no longer intend to
24 develop their properties as planned.

25 In addition to canceled development plans and outdated cost estimates, Staff did
26 not take into account local fire flow requirements that the Company must adhere to when

1 analyzing the water system. Rather than filing Exceptions, the Company sought a
2 withdrawal of its application. However, it was not until the day before the August 25,
3 2009 Open Meeting that the Company was informed it could not withdraw its application.
4 A rehearing will give the Company an opportunity to address Staff's analysis.

5 As noted in Decision No. 71252, the Company has a pending application for
6 authorization to incur long-term debt in the amount of \$792,313. The Company intends to
7 amend its financing application to reflect changed development plans. In processing the
8 financing application, Staff and the Company can determine a more accurate
9 apportionment of costs for offsite facilities needed to serve existing fire flow requirements
10 and future growth, and whether a HUF is warranted.

11 It was suggested during the August 25, 2009 Open Meeting that if the HUF Tariff
12 was set too low as a result of this application, the Company could simply file another
13 application for an amendment. However, this would require a separate proceeding which
14 the Company believes can be avoided if this application for rehearing is granted. By
15 granting a rehearing in this matter, the Company can consolidate the HUF tariff
16 application with the financing application in the interest of judicial economy and
17 administrative efficiency.

18 RESPECTFULLY SUBMITTED this 21st day of September, 2009.

19 FENNEMORE CRAIG, P.C.

20
21 By: 
22 Patrick J. Black
23 Attorneys for Oak Creek Water Company No. 1
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26

1 **ORIGINAL** and 13 copies filed
2 this 2nd day of September, 2009, with:

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

7 **COPY** hand-delivered
8 this 2nd day of September, 2009 to:

9 Chairman Kristin K. Mayes
10 Arizona Corporation Commission
11 1200 W. Washington Street
12 Phoenix, AZ 85007

13 Commissioner Gary Pierce
14 Arizona Corporation Commission
15 1200 W. Washington Street
16 Phoenix, AZ 85007

17 Commissioner Paul Newman
18 Arizona Corporation Commission
19 1200 W. Washington Street
20 Phoenix, AZ 85007

21 Commissioner Sandra D. Kennedy
22 Arizona Corporation Commission
23 1200 W. Washington Street
24 Phoenix, AZ 85007

25 Commissioner Bob Stump
26 Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Steven Olea, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

1 Janice Alward, Chief Counsel
2 Legal Division
3 Arizona Corporation Commission
4 1200 West Washington
5 Phoenix, Arizona 85007

6 **COPY** mailed
7 this 2nd day of September, 2009 to:

8 Mr. Dick Sitts
9 General Manager
10 Oak Creek Water Company No. 1
11 90 Oak Creek Boulevard
12 Sedona, Arizona 86339

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26
By: *Maria Sanjour*

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Exhibit 1

ORIGINAL

**OPEN MEETING AGENDA ITEM
FENNEMORE, CRAIG, P.C.**

3003 North Central Avenue, Suite 2800
Phoenix, Arizona 85012-2913

(602) 916-5000

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Patrick J. Black
Direct Phone: (602) 916-5400
Direct Fax: (602) 916-5600
pblack@fclaw.com

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DOCKET CONTROL**

Law Offices

Phoenix (602) 916-5000
Tucson (520) 879-6800
Nogales (520) 281-3480
Las Vegas (702) 692-8000
Denver (303) 291-3200

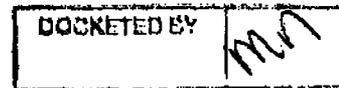
August 21, 2009

BY HAND DELIVERY

Mr. Giancarlo Estrada, Advisor
Office of Chairman Mayes
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

AUG 21 2009



Re: Oak Creek Water Company No. 1 - Tariff Filing to Implement an Off-Site Facilities Hook-Up Fee (Docket No. W-01392A-09-0272)
August 25, 2009 Open Meeting Agenda Item No. 14

Dear Mr. Estrada:

I am writing on behalf of Oak Creek Water Company No. 1 ("Oak Creek Water" or "Company") in regards to the above-referenced matter. Oak Creek Water respectfully requests that Chairman Mayes remove Agenda Item No. 14 from the August 25, 2009 Regular Open Meeting agenda.

This particular application was filed to establish an Off-Site Facilities Hook-Up Fee tariff that would allow Oak Creek Water to recover a portion of the costs to construct backbone water utility facilities to serve future customers. However, Oak Creek Water has since learned that the proposed residential and commercial developments within the Company's service area will not be moving forward as originally planned. Because the proposed hook-up fee is designed to recover a portion of the estimated costs to extend service to residential and commercial developments that are no longer moving forward, the Company would rather withdraw its request at this time and seek reconsideration when development is more certain.

The Company appreciates Staff's efforts, and believes that the information provided in this docket will prove useful in any future application to establish an off-site facilities hook-up fee. We understand that the Commission is under certain time-clock deadline to approve, modify or reject the application; otherwise it would go into effect as set forth in the application. Therefore, please consider this letter as a formal request to withdraw the Company's application so as to avoid any such result.

FENNEMORE CRAIG, P.C.

BY HAND DELIVERY

Mr. Giancarlo Estrada, Advisor
Office of Chairman Mayes
August 21, 2009
Page 2

Thank you for your time and consideration in this matter. Should you have any questions or concerns, please do not hesitate to contact me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to be 'P. Black', with a long horizontal line extending to the right.

Patrick J. Black

c: Docket Control
Steven Olea, Utilities Director
Kristin Wakeman, Oak Creek Water Company No. 1

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