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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

KRISTIN K. MAYES, Chairman

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
GLOBAL WATER – PALO VERDE UTILITIES
COMPANY FOR THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES FOR UTILITY
SERVICE DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. SW-20445A-09-0077

IN THE MATTER OF THE APPLICATION OF
VALENCIA WATER COMPANY – GREATER
BUCKEYE DIVISION FOR THE ESTABLISHMENT OF
JUST AND REASONABLE RATES AND CHARGES FOR
UTILITY SERVICE DESIGNED TO REALIZE A
REASONABLE RATE OF RETURN ON THE FAIR
VALUE OF ITS PROPERTY THROUGHOUT THE
STATE OF ARIZONA

DOCKET NO. W-02451A-09-0078

IN THE MATTER OF THE APPLICATION OF
WILLOW VALLEY WATER CO. FOR THE
ESTABLISHMENT OF JUST AND REASONABLE
RATES AND CHARGES FOR UTILITY SERVICE
DESIGNED TO REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS PROPERTY
THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-01732A-09-0079

IN THE MATTER OF THE APPLICATION OF
GLOBAL WATER – SANTA CRUZ WATER COMPANY
FOR THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES FOR UTILITY
SERVICE DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-20446A-09-0080

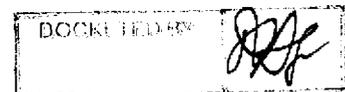
IN THE MATTER OF THE APPLICATION OF
WATER UTILITY OF GREATER TONOPAH FOR
THE ESTABLISHMENT OF JUST AND REASONABLE
RATES AND CHARGES FOR UTILITY SERVICE
DESIGNED TO REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS PROPERTY
THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-02450A-09-0081

Notice Of Filing
Late-Filed Exhibit A-51

Arizona Corporation Commission
DOCKETED

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1 IN THE MATTER OF THE APPLICATION OF
2 VALENCIA WATER COMPANY – TOWN DIVISION
3 FOR THE ESTABLISHMENT OF JUST AND
4 REASONABLE RATES AND CHARGES FOR UTILITY
5 SERVICE DESIGNED TO REALIZE A REASONABLE
6 RATE OF RETURN ON THE FAIR VALUE OF ITS
7 PROPERTY THROUGHOUT THE STATE OF ARIZONA

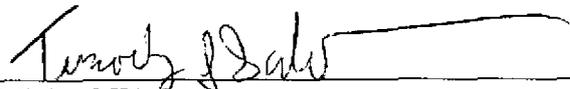
DOCKET NO. W-01212A-09-0082

**Notice Of Filing
Late-Filed Exhibit A-51**

8 Global Water – Palo Verde Utilities Company, Global Water – Santa Cruz Water
9 Company, Valencia Water Company – Town Division, Valencia Water Company – Greater
10 Buckeye Division, Water Utility of Greater Tonopah and Willow Valley Water Co. (collectively,
11 the “Global Utilities”) submit Late-Filed Exhibit A-51.

12 RESPECTFULLY SUBMITTED this 22nd day of March 2010.

13 ROSHKA DEWULF & PATTEN, PLC

14 By 

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20 Original +13 copies of the foregoing
21 filed this 22nd day of March 2010, with:

22 Docket Control
23 Arizona Corporation Commission
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25 Phoenix, AZ 85007

26 Copies of the foregoing hand-delivered/mailed
27 this 22nd day of March 2010 to:

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Late-Filed Exhibit A-51

Report on Financing of Solar Projects by Water Utilities

Summary

Few regulated water utility solar projects were identified, and little information exists regarding the funding of those few projects.

Methodology

The following methods were employed:

- Direct inquires with large water utilities
- Research in the Westlaw "Public Utilities Reports" database
- Google search

Data

(1) **Maryland-American Water Company.** In 2002, the Maryland Public Service Commission approved the acquisition of American Water (the parent of Maryland-American Water Company) by Thames Water / RWE, noted that RWE's solar resources may be beneficial. The PSC stated that:

Backed by RWE's annual research and development budget, Thames is conducting several programs in the area of renewable energy. Such programs include the use of solar power, fuel cell technology, wind power and local heat and power generating systems which offer the potential of ameliorating the continuing increase of the cost of electricity used in the distribution and treatment of water. The goal of Thames and American is to facilitate new and expanded environmentally friendly programs that will benefit Maryland-American and its customers.¹

However, we were unable to determine whether Maryland-American actually installed any renewable facilities.

(2) **New Jersey-American Water Co.** This utility constructed a 500 kv photovoltaic system at its Canal Road Water Treatment Plant in Somerset, N.J. The plant appears to have been financed largely by energy rebates approved by the New Jersey Board of Public Utilities. The rebates were projected to pay for 60% of the plant's capital cost, and to enable the system to pay for itself in 7 years.²

¹ *Maryland-American Water Co., Inc.*, 98 Md. P.S.C. 278, 2002 WL 32095133, Order No. 78073 (Md. P.S.C. Oct. 16, 2002) at ¶ 22.

² See "New Jersey American Water to use Solar Power to Save Energy", www.entrepreneur.com/tradejournals/article/print/130378566.html (dated April 1, 2005,

(3) **Pennsylvania-American Water Company.** This utility purchases wind power for a facility in Yardley, Pennsylvania. The purchase is 1.6 million kilowatt-hours per year. It is not known how the purchase of wind power was financed.³

(4) **El Paso Water Utilities (EPWU)**(unregulated). According to EPWU, it is considering solar power for its Kay Bailey Hutchinson Desalination Plant. The project is projected to cost \$12.5 million, and EPWU states that the project is “not feasible without federal funding, state funding, or both.”

(5) **Western Riverside County Regional Wastewater Authority.** (unregulated). The Authority has a 1 Megawatt solar system at its plant in Corona, California. The solar system is owned by Wells Fargo and the power is sold to the Authority under a Power Purchase Agreement (PPA).

(6) **Johnson Utilities.** This utility has two solar projects installed in Pinal County, Arizona. We were not able to determine how the projects were financed.

Conclusion

Very little information exists regarding financing of solar projects by regulated water utilities. No information exists regarding financing of renewable energy projects by regulated water utilities, except that one project in New Jersey was financed with large rebates from the regulated electricity provider.

visited March 19, 2010); “Canal Road Wastewater Treatment Plant, The Elizabeth Water Company, Somerset, NJ, USA,” www.water-technology.net/projects/canal_road/ (visited March 19, 2010); “New Jersey American Water Debuts State’s Largest Ground-Mounted Solar Electricity System”, www.caprep.com/b0905029.htm (dated September 21, 2005, visited March 19, 2010).

³ “Taking Green to the Extreme,”

www.philly.com/philly/business/20100124_Taking_Green_to_the_Extreme.html (dated January 24, 2010, visited March 19, 2010); “Reducing Energy Use”, <http://amwater.com/corporate-responsibility/environmental-sustainability/climate-change> (visited March 19, 2010).