

**ORIGINAL**



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**MEMORANDUM RECEIVED**

TO: Docket Control  
FROM: Steven M. Olea  
Director  
Utilities Division

2010 MAR 26 P 2:08  
AZ CORP COMMISSION  
DOCKET CONTROL

DATE: March 26, 2010

RE: IN THE MATTER OF THE NOTICE OF CONDEMNATION APPLICATION  
FILED BY STRAWBERRY WATER COMPANY (DOCKET NO. W-03513A-  
09-0485)

On October 9, 2009, Strawberry Water Company ("Strawberry" or "Company") filed a Notice of Condemnation application with the Arizona Corporation Commission ("ACC"). The Company indicated that all of the assets of Strawberry, including its Certificate of Convenience and Necessity ("CC&N") had been condemned and acquired by the Pine Strawberry Water Improvement District ("District").

The Company supplied the Final Order of Condemnation that was entered by the Yavapai Superior Court in Case No. P1300CV20090785 on October 6, 2009, which is attached and advised that Strawberry ceased to do business as a public utility or public service corporation at that time. Strawberry has transferred all meter deposits and security deposits for customers to the District, and the District has assumed all responsibility for meter deposits, security deposits and line extension agreements relating to Strawberry's customers.

Staff issued a data request on November 16, 2009, requesting verification from Strawberry that the whole Certificate of Convenience and Necessity area for Strawberry as defined by the ACC, and all of Strawberry's customers were taken over by the District. On February 8, 2010, Strawberry docketed a letter to Staff providing such verification.

In light of the condemnation by the District, Staff recommends that the Company's CC&N be cancelled.

Attachment

SMO:VW:RM:red

Originator: Vicki Wallace

Arizona Corporation Commission  
**DOCKETED**  
MAR 26 2010

DOCKETED BY	MVA
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Service List for: Strawberry Water Company  
Docket No. W-03513A-09-0485

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Ms. Janice Alward  
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Mr. Steve M. Olea  
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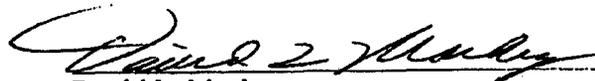
Ms. Lyn Farmer  
Chief, Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007



1 Water Company, Inc. ("PWCO"), Strawberry Water Company, Inc. ("SWCO"), and  
2 Brooke Utilities, Inc. ("BUI") now located within the boundaries of the Certificates of  
3 Convenience and Necessity ("CC&Ns") of PWCO and SWCO as shown on the map  
4 attached hereto as Exhibit A, including all fee interests, leasehold interests, easements,  
5 licenses, permits, franchises, U.S. Forest Service permits, Arizona Department of  
6 Transportation encroachment permits, occupancy agreements or other agreements  
7 benefiting or used by PWCO and SWCO, including any interests in real property  
8 described in Exhibit B attached hereto; all transferable water rights of PWCO and SWCO;  
9 any rights to surface water from any source within Pine and Strawberry, Arizona: all of  
10 the plants, substations and water distribution systems and all easements, pumps, wells,  
11 waterlines, meters, water storage tanks, electrical panels and services and other real  
12 property used or useful in the provision of domestic water service to customers located  
13 within the CC&Ns of PWCO and SWCO; all rights and duties of PWCO, BUI and SWCO  
14 under any contracts attached in Exhibit C attached hereto; intangible rights of PWCO,  
15 BUI and SWCO and all other real property or fixtures thereto of PWCO and SWCO used  
16 and useful in providing water utility services to the public within and without the area  
17 described in the PWCO and SWCO CC&Ns issued by the Arizona Corporation  
18 Commission as shown on the map attached hereto as Exhibit A; all rights to any and all  
19 property known as the Project Magnolia, the pipeline connecting the PWCO and SWCO  
20 water systems, including but not limited to easements, permits and licenses and other  
21 agreements for the location of physical facilities, the physical facilities themselves,  
22 including pumps, pipelines, valves, and all other appurtenant facilities; and all other assets  
23 used and useful to provide domestic water service to each and every customer presently  
24 being served or capable of being served by PWCO and SWCO within their respective  
25 CC&Ns (collectively, the "Used and Useful Assets") and any going concern value of the  
26 business ("Going Concern Value") of PWCO and SWCO.

1 Notwithstanding the foregoing, the Used and Useful Assets do not include: (1) the  
2 Central Arizona Project ("CAP") allocation presently held by PWCO which shall be  
3 transferred back to Central Arizona Water Conservation District ("CAWCD") in  
4 accordance with its contract (with PWCO retaining all rights to its Relinquishment  
5 Accounts established and maintained by the CAWCD for the PWCO and PSWID  
6 agreeing to cooperate in good faith to assist PWCO in retaining such Relinquishment  
7 Accounts); (2) any claims or judgments held by PWCO, SWCO or BUI relating to or  
8 affecting PWCO's, SWCO's or BUI's relationship with any third parties, including, but  
9 not limited to, those held by SWCO in the matter of Strawberry Water Company v.  
10 Paulsen, Maricopa County Superior Court No. CV2001-005988; (3) any real property  
11 outside of the CC&Ns of Pine Water Company and Strawberry Water Company held by  
12 BUI; and (4) any moveable personal property owned by BUI (including, as examples, but  
13 not limited to, tools, inventory, vehicles or other equipment, computers or other office  
14 equipment, and any other similar types of personal property). It is the specific intent of  
15 PSWID, PWCO, SWCO and BUI that the Used and Useful Assets are the utility assets of  
16 PWCO, SWCO in the ground or located on real property in Pine and Strawberry, Arizona,  
17 as such real property is specifically described herein, and all other property of PWCO,  
18 SWCO specifically described herein within the boundaries of the CC&Ns of PWCO or  
19 SWCO.

20 DONE IN OPEN COURT this 6<sup>th</sup> day of October, 2009.

21  
22   
23 David L. Mackey  
24 Judge of the Superior Court

25 PHX/2221613.1