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ARIZONA CORPORATION COMMISSION
SECRET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

10 KRISTIN K. MAYES, CHAIRMAN
11 GARY PIERCE
12 PAUL NEWMAN
13 SANDRA D. KENNEDY
14 BOB STUMP

Arizona Corporation Commission

DOCKETED

AUG 9 2010

DOCKETED BY 

15 APPLICATION OF ESTATE OF
16 WILLIAM F. RANDALL DBA VALLE
17 VERDE WATER COMPANY FOR AN
18 INCREASE IN ITS WATER RATES

Docket No. W-01431A-09-0360
W-01431A-09-0361

18 APPLICATION OF ESTATE OF
19 WILLIAM F. RANDALL DBA VALLE
20 VERDE WATER COMPANY FOR
21 AUTHORITY TO INCUR LONG-TERM
22 DEBT

**MOTION TO INCLUDE
EMERGENCY REPAIRS WITHIN
SCOPE OF PROJECTS SET FORTH
IN FINANCE APPLICATION**

23 Valle Verde Water Company ("Company"), hereby files this motion notifying the
24 Arizona Corporation Commission ("Commission") and the court of emergency repairs
25 that must be undertaken immediately to protect public health and safety. This troubling
26 situation is compounded because the Company lacks the money to make the repairs and
27 these problems were not foreseen a year ago when the Company filed its finance
28

1 application. Therefore, the Company hereby moves for the court to include the repairs
2 described below within the scope of the finance application. Moreover, the Company's
3 interim operator, Southwestern Utility Management, Inc. ("SUM"), is willing to enter
4 into a short-term loan with the Company to fund the repairs and requests that the
5 Commission financing authorization will include a provision providing that the Company
6 may use long-term loan proceeds to repay SUM's proposed short-term loan.
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9 **Description of Emergency Situation**

10 Recently, SUM staff discovered a substantial leak from the 4-inch mainline
11 located two feet from the edge of Grand Avenue. Grand Avenue is a major highway that
12 is routinely traveled by semi trucks at high rates of speed. The leak occurred when the
13 asbestos concrete pipe developed a substantial crack, splitting the top of the pipe as the
14 crack ran down (parallel with) the pipe. The pipe has been temporarily repaired with a
15 stainless steel wrap around, but as this crack develops, it will run into the stretch of pipe
16 underneath Grand Avenue, which can undermining roadway stability and leaving
17 approximately 2,000 customers on the East side of the highway without water.
18 Obviously, this is a serious safety concern.
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22 SUM staff believes this mainline must be isolated immediately and taken out of
23 service. The Company believes well no. 3 located on the East side of Grand Avenue and
24 its pump can be improved to meet the demand of the East side customers. The cost to
25 make such improvements will not exceed \$25,000.
26

27 The Company believes that so long as the final order of the Commission states
28 these emergency repairs fall within the scope of authorized uses of the financing

1 proceeds, SUM can fund the emergency repairs on a short-term basis and then it can be
2 repaid from the Water Infrastructure Finance Authority ("WIFA") loan proceeds.

3
4 Accordingly, the Company is seeking Commission authority to include these repairs
5 within the scope of projects set forth in the finance application and allow WIFA loan
6 funds to be used to repay SUM for the cost it incurs while resolving this emergency.

7
8 To be clear, the Company is not requesting an increase in the amount of financing;
9 it is simply going to use some of the WIFA finance proceeds to repay SUM for funding
10 these emergency repairs that will cost no more than \$25,000. The Company anticipates
11 that it will be able to repay SUM for its short-term loan using WIFA loan proceeds within
12 12 months, so no additional approvals should be necessary.

13
14 Finally, the Company informed the Commission staff and their attorney of the
15 situation, but staff has not taken a position on this matter yet.

16
17 RESPECTFULLY SUBMITTED this 9th day of August, 2010.

18 **Moyes Sellers & Sims Ltd.**

19
20 
21 _____
22 Steve Wene
23 Attorneys for Valle Verde Water Company

24 Original and 15 copies of the foregoing
25 filed this 9th day of August, 2010, with:

26 Docket Control
27 Arizona Corporation Commission
28 1200 West Washington
Phoenix, Arizona 85007

1 Copy of the foregoing mailed this
2 9th day of August, 2010, to:

3 Kimberly Ruht
4 Legal Division
5 Arizona Corporation Commission
6 1200 W. Washington Street
7 Phoenix, Arizona 85007

8 Steve Olea, Director
9 Utilities Division
10 Arizona Corporation Commission
11 1200 West Washington Street
12 Phoenix, Arizona 85007

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