



ORIGINAL

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0000119961

November 8, 2010

Blessing N. Chukwu
Executive Consultant III
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

NOV 10 2010

Re: Rigby Water Company - Application for approval of transfer of assets of Rigby Water Company to the City of Avondale and Cancellation of its Certificate of Convenience and Necessity located in Maricopa County, Arizona; Docket No. W-01808A-10-0390

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Dear Ms. Chukwu:

We write in response to your letter of October 27, 2010 requesting additional information with respect to the above-entitled Application (the "Insufficiency Letter"). Rigby Water Company believes that much of the information requested is not directly relevant to consideration of the pending Application given the circumstances surrounding this acquisition. As noted in Rigby Water Company's Application, this conveyance is part of a settlement of the City of Avondale's (the "City") pending condemnation suit against Rigby Water Company. Nevertheless, Rigby Water Company very much desires to accelerate the approval of this Application, as its just compensation payment is being held up until Commission approval takes place. Accordingly, Rigby Water Company's responses to Staff's requests follow. Each information request from the Insufficiency Letter is set out below (in bold), with Rigby Water Company's response following the request.

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1. Please provide a copy of the most recent Letter of Good Standing issued by the Corporations Division of the Arizona Corporation Commission to Rigby Water Company ("Rigby").

A copy of the most recent Letter of Good Standing issued to Rigby Water Company is attached at Exhibit A.

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2. Does Rigby serve any customers? If yes, how many?

Yes, Rigby Water Company provides service to customers. At the time of its last annual report, Rigby Water Company provided service to 314 connections. Currently, Rigby Water Company is providing service to 311 connections.

3. If the answer to No. 2 above is yes, have all customer security deposits, been refunded? If no, please explain the proposed disposition of security deposit.

No, Rigby Water Company currently holds \$3,210.00 in customer security deposits. Under the settlement agreement being finalized with the City, all unrefunded deposits will be transferred to the City. The City will then manage those deposits in accordance with Rigby Water Company's obligations to its former customers.

4. Are there any refunds due on meter and service line installations? If yes, please explain the proposed disposition of refunds.

Rigby Water Company currently holds \$856.00 in meter deposits. Under the settlement agreement being finalized with the City, all unrefunded deposits will be transferred to the City. The City will then manage those deposits in accordance with Rigby Water Company's obligations to its former customers.

5. Are there any refunds due on Main Extension Agreements? If yes, please explain the proposed disposition of refunds.

Rigby Water Company is a party to one Main Extension Agreement. Under Rigby Water Company's agreement with the City, Rigby Water Company will continue to pay refunds to the developer for the remaining term of the Main Extension Agreement. The City will provide Rigby Water Company with an annual accounting of water sold to the affected connections and the associated income received by the City to permit the refund amount to be calculated.

6. Has a Notice of Application been sent to the affected customers/property owners? If so, please file a copy in the docket. If not, when will the Applicant send a Notice of the Application to the affected customers/property owners? Please explain.

A copy of the Notice of Application that was sent to Rigby Water Company's customers is attached at Exhibit B. Rigby Water Company sent the Notice with its billing statements that were sent out the week of November 1, 2010. A copy of the Notice is scheduled to be published on November 12, 16 and 19, 2010 in the West Valley View.

7. Please confirm for Staff that all water utility assets that make up Public Water System ("PWS") ID #07-608 (aka Holly Acres) and PWS #07-062 (aka Rigby) are included in the proposed transfer.

All of Rigby Water Company's remaining water utility assets are being acquired by the City.

8. Please confirm for Staff that all water utility assets that made up PWS ID #07-609 (aka Childers) was transferred to the City of Phoenix and approved in Commission Decision No. 66172 issued August 13, 2003.

All of Rigby Water Company's water utility assets for its Childers Division (PWS #07-609) were acquired in a condemnation action by the City of Phoenix in 2003.

9. Please provide a detailed list of the water utility assets to be transferred per the subject application that make up PWS ID #07-608 (aka Holly Acres).

Please see the attached Exhibit C, which contains a list, broken down by PWS number, of all the water utility assets being acquired by the City of Avondale.

10. Please provide a detailed list of the water utility assets to be transferred per the subject application that make up PWS ID #07-062 (aka Rigby).

Please see the attached Exhibit C, which contains a list, broken down by PWS number, of all the water utility assets being acquired by the City of Avondale.

11. Please provide Water Company Plant Description and Water Use data by PWS ID # as requested in the Commission's 2009 Annual Report Form.

The information that would be contained in Rigby Water Company's 2009 Annual Report for Plant Description, broken down by PWS number, may be found in the attached Exhibit C. Rigby Water Company's Water Use data, broken down by PWS number, is attached at Exhibit D.

12. The legal description that is referenced in this application is incorrect. Usually for an application to cancel the entire CC&N a legal description isn't required, but since one is included, it should reflect the entire CC&N area. Please provide an accurate legal description for the CC&N area to be cancelled.

A corrected legal description is attached at Exhibit E. Per our prior discussions with Barb Wells, Rigby Water Company is willing to docket a technical correction to its Application, if necessary.

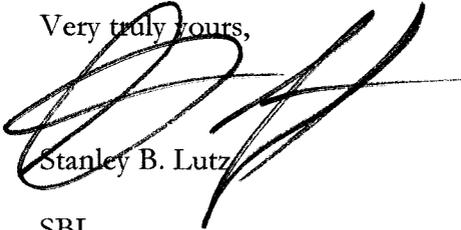
We trust that these responses satisfy the Insufficiency Letter. Because this transfer is in settlement of a condemnation suit, entry of a final order in condemnation and receipt of Rigby Water Company's constitutionally mandated just compensation is contingent upon cancellation of Rigby Water

Blessing N. Chukwu
November 8, 2010
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Company's Certificate of Convenience and Necessity. The City of Avondale supports Rigby Water Company's Application. We would request, therefore, that this matter be expedited on the Commission's calendar.

Very truly yours,

A handwritten signature in black ink, appearing to read 'SBL', written over the typed name 'Stanley B. Lutz'.

Stanley B. Lutz

SBL
Enclosures

EXHIBIT A

STATE OF ARIZONA



Office of the CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Ernest G. Johnson, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****RIGBY WATER COMPANY*****

a domestic corporation organized under the laws of the State of Arizona, did incorporate on March 19, 1963.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 4th Day of November, 2010, A. D.

A handwritten signature in black ink, appearing to read "E G Johnson".

Executive Director

By:

A handwritten signature in black ink, appearing to read "Rebekah Wernse".



EXHIBIT B

**PUBLIC NOTICE OF AN APPLICATION FOR THE SALE OF ASSETS AND THE
CANCELLATION OF THE CERTIFICATE OF CONVENIENCE AND NECESSITY BY
DOCKET NO. W-01808A-10-0390**

RIGBY WATER COMPANY

Rigby Water Company has filed with the Arizona Corporation Commission ("Commission") an Application for authority to sell its assets and cancel its Certificate of Convenience and Necessity to provide domestic water service. Rigby Water Company system has been sold to the City of Avondale. If the application is granted, the City of Avondale would be the exclusive provider of domestic water service to your area and will establish its own rates and charges.

If you have any claims against Rigby Water Company, including claims for refunds of security deposits, service line and meter installations or main extension agreements and you have not already been contacted by the Company, you must present your claim to Rigby Water Company on or before November 30, 2010. Direct your claim(s) to Rigby Water Company, P.O. Box 1020, Apache Junction, Arizona 85117 or call 480-677-6080.

Approval of the Application may be given without a hearing. If you have any questions or concerns about this Application, have any objections to its approval or would like to request information on intervention in the proceeding, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 602-542-4251 or toll free 1-800-222-7000.

EXHIBIT C

Exhibit C
Water Utility Assets by PWS Number

Description/Size	PWS 07-062 (Rigby)	PWS 07-608 (Holly Acres)
Mains		
8" PVC	6283 lf	0
6" PVC/ACP	3139 lf	1477 lf
4" PVC/ACP	25904 lf	1800 lf
3" PVC	1607 lf	0
2" PVC	827 lf	2328 lf
Gate Valves (including box and cover)		
8"	6	0
6"	5	2
4"	4	2
3"	1	0
2"	0	1
2" Blow Offs	7	2
Service Lines		
3/4"	264	85
1"	5	0
Meters		
5/8" x 3/4"	264	85
1"	5	0
6" Fire Hydrants (including valve box and cover)	8	0
Storage Tanks		

Exhibit C
Water Utility Assets by PWS Number

57,000 gal.	0	1
50,000 gal.	1	0
10,000 gal.	5	0
Pressure Tanks		
5,000 gal.	2	1
Booster Pumps		
10 HP	4	0
7.5 HP	0	2
Well Pumps		
7.5 HP	1	0
5 HP	0	1
2 HP	1	0
Electrical Service Panels		
Well Controls	2	1
Wells	2	1

EXHIBIT D

RIGBY WATER COMPANY
GALLONS SOLD BY PWS ID

Month	Rigby 07-062	Holly Acres 07-608	Monthly Totals
Jan-09	1,951,710	827,800	2,779,510
Feb-09	1,497,300	764,600	2,261,410
Mar-09	2,310,100	1,030,500	3,343,230
Apr-09	2,515,200	1,026,800	3,542,000
May-09	2,423,570	1,568,100	3,991,670
Jun-09	3,157,120	1,082,200	4,239,320
Jul-09	3,491,770	1,396,000	4,887,770
Aug-09	3,312,540	1,239,600	4,552,140
Sep-09	2,564,340	1,068,900	3,633,240
Oct-09	2,509,840	1,084,300	3,594,140
Nov-09	1,762,800	788,400	2,551,200
Dec-09	1,545,230	706,400	2,251,630
Total	29,041,520	12,583,600	41,627,260

RIGBY WATER COMPANY
GALLONS PUMPED BY PWS ID

Month	Rigby 07-062	Holly Acres 07-608	Monthly Totals
Jan-09	2,111,570	764,800	2,876,370
Feb-09	1,607,770	710,500	2,318,270
Mar-09	2,447,970	986,500	3,434,470
Apr-09	2,655,820	993,300	3,649,120
May-09	2,613,860	1,507,500	4,121,360
Jun-09	3,281,590	1,011,500	4,293,090
Jul-09	3,653,210	1,369,700	5,022,910
Aug-09	3,450,260	1,229,200	4,679,460
Sep-09	2,645,490	1,089,500	3,734,990
Oct-09	2,661,650	1,030,400	3,692,050
Nov-09	1,968,860	821,000	2,789,860
Dec-09	1,670,370	647,900	2,318,270
Total	30,768,420	12,161,800	42,930,220

EXHIBIT E

Exhibit E
Corrected Legal Description of Rigby Water Company's
Certificate of Convenience and Necessity

Section 25, Township 1 North (T1N), Range 1 West (R1W); the Southeast Quarter (SE1/4)
Section 26, Township 1 North (T1N), Range 1 West (R1W); the Northeast Quarter (NE1/4)
Section 35, Township 1 North (T1N), Range 1 West (R1W); and the North Half (N1/2) of
Section 36, Township 1 North (T1N), Range 1 West (R1W); and the South Three Quarters
(S3/4) Section 30, Township 1 North (T1N), Range 1 East (R1E); and the North Half
(N1/2) Section 31, Township 1 North (T1N), Range 1 East (R1E), of the Gila and Salt River
Base and Meridian, in Maricopa County, Arizona.