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COMMISSIONERS OPEN MEETING AGENDA ITEM

- Gary Pierce - Chairman
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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

FEB 28 2011

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF ARIZONA WATER COMPANY FOR AN
EXTENSION OF ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY AT CASA GRANDE, PINAL
COUNTY, ARIZONA

DOCKET NO. W-01445A-06-0199

IN THE MATTER OF THE APPLICATION
OF PALO VERDE UTILITIES COMPANY
FOR AN EXTENSION OF ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY.

DOCKET NO. SW-03575A-05-0926

IN THE MATTER OF THE APPLICATION
OF SANTA CRUZ WATER COMPANY FOR
AN EXTENSION OF ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY.

DOCKET NO. W-03576A-05-0926

IN THE MATTER OF THE APPLICATION
OF PALO VERDE UTILITIES COMPANY
FOR AN EXTENSION OF ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY.

DOCKET NO. SW-03575A-07-0300

IN THE MATTER OF THE APPLICATION
OF SANTA CRUZ WATER COMPANY FOR
AN EXTENSION OF ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY.

DOCKET NO. W-03576A-07-0300

Bryan Cave LLP
Two North Central Avenue, Suite 2200
Phoenix, Arizona 85004-4406
(602) 364-7000

1 ARIZONA WATER COMPANY, AN
2 ARIZONA CORPORATION,

3 COMPLAINANT,

4 vs.

5 GLOBAL WATER RESOURCES, LLC, A
6 FOREIGN LIMITED LIABILITY
7 COMPANY; GLOBAL WATER
8 RESOURCES, INC., A DELAWARE
9 CORPORATION; GLOBAL WATER
10 MANAGEMENT, LLC, A FOREIGN
11 LIMITED LIABILITY COMPANY; SANTA
12 CRUZ WATER COMPANY, LLC, AN
13 ARIZONA LIMITED LIABILITY
14 CORPORATION; PALO VERDE UTILITIES
15 COMPANY, LLC, AN ARIZONA LIMITED
16 LIABILITY CORPORATION; GLOBAL
17 WATER – SANTA CRUZ WATER
18 COMPANY, AN ARIZONA
19 CORPORATION; GLOBAL WATER –
20 PALO VERDE UTILITIES COMPANY, AN
21 ARIZONA CORPORATION; JOHN AND
22 JANE DOES 1-20; ABC ENTITIES I-XX,

23 RESPONDENTS.

DOCKET NO. W-01445A-06-0200
DOCKET NO. SW-20445A-06-0200
DOCKET NO. W-20446A-06-0200
DOCKET NO. W-03576A-06-0200
DOCKET NO. SW-03575A-06-0200

18 IN THE MATTER OF THE JOINT
19 APPLICATION OF CP WATER COMPANY
20 AND FRANCISCO GRANDE UTILITIES
21 COMPANY TO TRANSFER THEIR
22 CERTIFICATES OF CONVENIENCE AND
23 NECESSITY AND ASSETS TO PALO
VERDE UTILITIES COMPANY AND
SANTA CRUZ WATER COMPANY.

5
DOCKET NO. W-01775A-07-0485
DOCKET NO. SW-03575A-07-0485
DOCKET NO. W-20442A-07-0485
DOCKET NO. W-03576A-07-0485

24 **NOTICE OF FILING ARIZONA WATER COMPANY'S SUGGESTED**
25 **AMENDMENT LANGUAGE REGARDING THE DECEMBER 22, 2010**
26 **RECOMMENDED OPINION AND ORDER**

27 In order to aid the Commission and the Hearing Division, Arizona Water
28 Company submits with this notice proposed language for possible amendments to the

1 Recommended Opinion and Order that track the Company's Exceptions filed on February
2 22, 2011.

3 RESPECTFULLY SUBMITTED this 28th day of February, 2011.

4 BRYAN CAVE LLP

5
6 By 

7 Steven A. Hirsch, #006360
8 Rodney W. Ott, #016686
9 Two N. Central Avenue, Suite 2200
10 Phoenix, Arizona 85004-4406
11 Attorneys for Arizona Water Company

12 **ORIGINAL and 13 COPIES** of the foregoing
13 filed this 28th day of February, 2011 with:

14 Docket Control Division
15 Arizona Corporation Commission
16 1200 W. Washington
17 Phoenix, Arizona 85007

18 **COPY** of the foregoing hand-delivered
19 this 28th day of February, 2011 to:

20 Yvette B. Kinsey
21 Administrative Law Judge
22 Hearing Division
23 Arizona Corporation Commission
24 1200 W. Washington
25 Phoenix, AZ 85007

26 Steven M. Olea
27 Director, Utilities Division
28 Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Janice Alward, Esq.
Chief Counsel, Legal Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Bryan Cave LLP
Two North Central Avenue, Suite 2200
Phoenix, Arizona 85004-4406
(602) 364-7000

1 **COPY** of the foregoing mailed
2 this 28th day of February, 2011 to:

3 Timothy J. Sabo, Esq.
4 Michael W. Patten, Esq.
5 Roshka DeWulf & Patten, PLC
6 One Arizona Center
7 400 E. Van Buren Street, Suite 800
8 Phoenix, AZ 85004
9 Attorneys for Applicants
10 Santa Cruz Water Company, L.L.C.
11 and Palo Verde Utilities Company, L.L.C.

9 Mayor Chuck Walton
10 City of Casa Grande
11 510 E. Florence Blvd.
12 Casa Grande, AZ 85222

12 Graham Symmonds,
13 Senior Vice President
14 Global Water Management
15 21410 N. 19th Avenue, Suite 201
16 Phoenix, AZ 85027

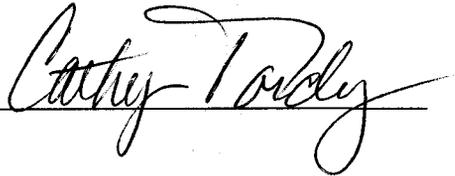
16 Ken Franks, Esq.
17 Rose Law Group, PC
18 6613 N. Scottsdale Road, Ste. 200
19 Scottsdale, AZ 85250
20 Attorneys for Bevnorm Olive, LLC and
21 Hampden & Chambers LLC

21 Brad Clough
22 Anderson & Barnes 580 LLP
23 Anderson & Miller 694, LLP
24 8501 N. Scottsdale Road, Suite 260
25 Scottsdale, AZ 85253

24 Marcie Montgomery, Esq.
25 Snell & Wilmer LLP
26 One Arizona Center
27 400 E. Van Buren Street
28 Phoenix, AZ 85004

1 Craig Emmerson, Manager
2 Anderson & Val Vista 6, LLC
3 8501 N. Scottsdale Road, Suite 260
4 Scottsdale, AZ 85253

4 Phillip J. Polich
5 Gallup Financial, LLC
6 8501 N. Scottsdale Road, Suite 125
7 Scottsdale, AZ 85253

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Bryan Cave LLP
Two North Central Avenue, Suite 2200
Phoenix, Arizona 85004-4406
(602) 364-7000

1 **ARIZONA WATER COMPANY’S SUGGESTED AMENDMENT LANGUAGE**
2 **REGARDING THE DECEMBER 22, 2010 RECOMMENDED OPINION AND**
3 **ORDER IN DOCKET W-01445A-06-0199, ET AL.**

4 **I. Correction of Discrepancies Between Text and Exhibit F Map (Addressed in**
5 **Section I of Exceptions)**

6 1. ROO, Ex. F should be corrected to include Parcel 4 in AWC’s CCN Area, as
7 provided in ¶ 102.

8 2. ROO, p. 40, l. 16. INSERT new sentence at end of ¶ 108: “Specifically, the
9 western half of Section 26 shall be filled in and added to AWC’s CC&N area as part of this
10 logical boundary.”

11 3. ROO, p. 42, l. 16. INSERT new sentence at end of ¶114: “Additionally, the
12 remainder of Section 1 shall be filled in and added to AWC’s CC&N area as part of this
13 logical boundary.”

14 4. ROO, p. 38, l. 3. INSERT new sentence at end of ¶102: “Specifically, the
15 eastern half of Section 3 shall be filled in and added to AWC’s CC&N area in order to create
16 a more logical boundary.”

17 5. ROO, p. 38, l. 3. INSERT new sentence at end of ¶102 (following the
18 additional sentence proposed in paragraph 4, immediately above): “Additionally, the
19 remainder of the eastern half of Section 10 shall be filled in and added to AWC’s CC&N
20 area as part of this logical boundary.”

21 6. ROO, Ex. F should be corrected to include the southern portion of T07S R04E,
22 Section 8 in AWC’s CCN Area, as provided in ¶ 111, ll. 15-16.

23 7. ROO, p. 40, l. 8. INSERT new sentence at end of ¶107: “Also, the eastern
24 half of Section 19 shall be filled in and added to AWC’s CC&N area in order to create a
25 more logical boundary.”

Bryan Cave LLP
Two North Central Avenue, Suite 2200
Phoenix, Arizona 85004-4406
(602) 364-7000

1 **II. Correction Regarding Testimony In Support of Transfer Of CCN Area**
2 **(Addressed in Section II of Exceptions) and Rounding Off of Section 28**

3 ROO, p. 45, ¶124. Arizona Water Company adopts and incorporates by reference
4 here the suggested amendment set forth by Global in its Attachment A to its February 22,
5 2011 Exceptions at (9) in order to correct this misstatement in the ROO. Additionally, when
6 this small parcel is transferred, it will be isolated from the remainder of the Arizona Water
7 Company CCN area, and, in conjunction with the other rounding additions discussed below,
8 the remaining portion of Section 28 should be added to the Company's CCN area in order to
9 provide for a more logical boundary. Accordingly, INSERT new sentence at the end of
10 ¶124: "Additionally, this small parcel in Section 28 is isolated from the adjoining AWC
11 CC&N area, and the section is surrounded on two sides by AWC's CC&N area. We
12 therefore find it appropriate to fill in this section and include it in AWC's CC&N area to
13 create a more logical boundary."

14 **III. Amendments Regarding Rounding Off Irregular CCN Areas (Addressed in**
15 **Section III of Exceptions)**

16 1. ROO, p. 40, l. 16. INSERT new sentence at end of ¶108: "Additionally,
17 Sections 10, 14 and 15 will now be surrounded on three sides by AWC's CC&N, and we
18 find it appropriate to fill in these sections north of Parcel E, east of Parcel B, south of Parcel
19 5 and adjacent to AWC's existing Stanfield System and include them in AWC's CC&N area
20 as part of this logical boundary."

21 2. ROO, p. 39, l. 11. INSERT new sentence at end of ¶105: "Also, Section 34
22 will now be surrounded on three sides by AWC's CC&N, and we find it appropriate to fill in
23 this section, which is surrounded to the north and south by portions of Parcel B, into AWC's
24 CC&N area as part of this logical boundary."

25 3. ROO, p. 39, l. 11. INSERT new sentence at end of ¶105 (following the
26 additional sentence proposed in paragraph 2, immediately above): "Finally, Sections 21 and
27 22 will now be surrounded on three sides by new AWC CC&N area, and Section 22 has an
28

1 irregularly-shaped spur jutting into that area. We find it appropriate to fill in these sections
2 and include them in AWC's CC&N area as part of this logical boundary."

3 4. ROO, p. 38, l. 3. INSERT new sentence at end of ¶102 (following the
4 additional sentences proposed in paragraphs 4 and 5 in Section I, above): "Further, Sections
5 4, 9 and the west half of 10 will now be surrounded by new AWC CC&N area, and we find
6 it appropriate to fill in these sections and include them in AWC's CC&N area as part of a
7 logical boundary."

8 5. ROO, p. 41, l. 1. INSERT new sentence at end of ¶109: "Additionally, the
9 south half of Section 15 will now be surrounded on three sides by AWC's CC&N, and we
10 find it appropriate to fill in this half-section east of a portion of Parcel B, south of Parcel C
11 and south and west of Parcel 14 and include them in AWC's CC&N area to create a more
12 logical boundary."

13 6. ROO, p. 40, l. 8. INSERT new sentence at end of ¶107 (following the
14 additional sentence proposed in paragraph 7 in Section I, above): "Additionally, the western
15 portion of Section 24 and Section 25 will now be bracketed by AWC's CC&N to the north,
16 northeast and south, and we find it appropriate to fill in these sections north of Parcel B,
17 south of Parcel 14 and east of Parcel D and include them in AWC's CC&N area as part of
18 this logical boundary."

19 **IV. Amendment Regarding Addition of CCN Areas Within the City of Casa**
20 **Grande's 208 Planning Area (Addressed in Section IV of Exceptions)**¹

21
22 ¹ Arizona Water Company notes that Global, in Section II of its Exceptions filed on
23 February 22, 2011, seeks to exclude certain additions to Palo Verde Utilities Company's
24 wastewater CC&N area. If Global's request is granted, no adjustments need be made to the
25 portions of Arizona Water Company's CCN area awarded under the ROO or sought in
26 Arizona Water Company's Exceptions (and this suggested amendment language filing),
27 because the subject water CCN areas remain within Palo Verde's Section 208 Plan Area,
28 obligating Palo Verde to provide wastewater service when such service is sought in those
areas ("Palo Verde is willing to serve those areas in the future, if requested by a
landowner.... Therefore the exclusion of these parcels should have no impact on the CC&N
extensions proposed by AWC." (Global's Exceptions, p. 5, l. 21 - p. 6, l. 2).

1 1. ROO, p. 38, ll. 14-16. DELETE “Because it is unclear when or if Casa
2 Grande will extend wastewater service to Parcels 1, 2, and 3, we concur with Staff’s
3 recommendation not to extend AWC’s CC&N to include Parcels 1, 2 and 3, at this time.”
4 and INSERT “Based on the record before us, the City of Casa Grande is the approved
5 provider of wastewater service under Section 208 of the Clean Water Act in this area (the
6 “208 Plan Area”), and because it will provide wastewater service to this area upon request,
7 AWC’s CC&N should be expanded to include Parcels 1, 2 and 3. Additionally, because the
8 remainder of Section 13 will be surrounded by AWC CC&N to the north and west, to create
9 a more logical boundary in this area, the remainder of Section 13 should be included in
10 AWC’s CC&N.”

11 2. ROO, p. 38, ll. 22-23 through p. 39, ll. 1-2. DELETE “Because it is unclear at
12 this time when or if Casa Grande will extend wastewater service to Parcel A and the above-
13 referenced portion of Parcel B, we find that Parcel A and the portion of Parcel B located
14 within the 208 Plan area for Casa Grande should not be included in AWC’s CC&N at this
15 time.” and INSERT “Based on the record before us, the City of Casa Grande is the approved
16 provider of wastewater service under Section 208 of the Clean Water Act in the 208 Plan
17 Area. Because the City will provide wastewater service to the 208 Plan Area upon request,
18 AWC’s CC&N should be expanded to include Parcel A and the above-referenced portion of
19 Parcel B. Further, to create a more logical boundary in this area, the entirety of Sections 16,
20 21 and 23, as well as the remainder of Section 15, the great majority of which includes
21 requests for service, should be included in AWC’s CC&N.”

22 3. ROO, p. 39, l. 2 (following the additional sentence proposed in paragraph 2
23 immediately above). INSERT “Also, to create a more logical CC&N boundary in this area,
24 the entirety of Sections 14 and 22, which are now either surrounded on three sides (Section
25 22) or completely (Section 14) by AWC CC&N area, should be included in AWC’s
26 CC&N.”
27
28

1 4. ROO, p. 40, ll. 4-6. DELETE “However, the portions of Parcel D that are
2 within the 208 Plan boundary of Casa Grande will not be included in AWC’s CC&N at this
3 time because it is unclear when or if Casa Grande will extend wastewater service to those
4 locations.” and INSERT “Based on the record before us, the City of Casa Grande is the
5 approved provider of wastewater service under Section 208 of the Clean Water Act in the
6 208 Plan Area. Because the City will provide wastewater service to the 208 Plan Area upon
7 request, AWC’s CC&N should be expanded to include the portions of Parcel D that are in
8 Sections 17 and 20, and to create a more logical boundary in this area, the entirety of those
9 sections should be filled in and added to AWC’s CC&N area.”

10 V. Amendment Regarding Approval of the Settlement and Planning Areas
11 (Addressed in Section V of Exceptions)

12 ROO, p. 20, ll. 13-18. AWC adopts and incorporates by reference here the suggested
13 amendment set forth by Global in its Attachment A to its February 22, 2011 Exceptions at
14 (13).

15 VI. Amendment Deleting Approval of Staff’s “Guidelines” for Extension of CCN
16 Area (Addressed in Section VI of Exceptions)

17 ROO, p. 37, ll. 12-17, ¶101. DELETE “We agree with the guidelines recommended
18 by Staff in this case (subject to minor modifications) with respect to approving CC&N
19 extensions only for areas in which the Utilities have obtained renewed or current requests for
20 service, and in which the Utilities are proposing to provide both water and wastewater either
21 through integrated service (in the case of Global utilities) or through cooperative
22 arrangement (with AWC providing water and Global-Palo Verde providing wastewater).”
23 and INSERT “Whether or not the Commission has ever formally adopted the nine-factor
24 criteria cited by AWC, the factors present good public policy and have been followed in
25 Commission practice. Although the Commission will assess and give weight to the factor of
26 whether there is a current request for service in a particular area, there are also compelling
27 circumstances of creating more logical boundaries that serve the public interest where
28 requests for services at a particular point in time follow lines that maximize engineering

1 efficiency and thereby serve the public interest. It is important that those logical factors be
2 weighed as well in deciding when and how a CC&N area should be extended.”

3 **VII. Amendments Regarding Compliance Items (Addressed in Sections VII and VIII**
4 **of Exceptions)**

5 1. ROO, p. 47, ll. 12-15. DELETE “IT IS FURTHER ORDERED that Arizona
6 Water Company shall file with Docket Control, as a compliance item in this docket by
7 December 31, 2011, a copy of the updated Arizona Department of Water Resources Physical
8 Availability Determination demonstrating inclusion of the approved extension areas.”

9 2. ROO, p. 47, l. 10. DELETE “December 31, 2012” and INSERT “December
10 31, 2014”.

11
12 **MAKE ALL CONFORMING CHANGES**

Bryan Cave LLP
Two North Central Avenue, Suite 2200
Phoenix, Arizona 85004-4406
(602) 364-7000