



Transcript Exhibit(s)

Docket #(s): W-01808A-10-0390

Arizona Corporation Commission

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MAY 3 2011

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Exhibit #: A1-A3, S1

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MAIN (602) 274-9944

FAX (602) 277-4264

Marta T. Hetzer
Administrator/Owner

To: Docket Control

Date: May 3, 2011

Re: Rigby Water Company W-01808A-10-0390
April 14, 2011

STATUS OF ORIGINAL EXHIBITS

FILED WITH DOCKET CONTROL

Rigby Water (A-Exhibits)

1 through 3

Staff (S-Exhibits)

1

LATE-FILED EXHIBITS

Rigby Water (A-Exhibits)

4 and 5

Staff (S-Exhibits)

2

Copy to: Sarah N. Harpring, ALJ
Bridget Humphrey, Esq. – Staff
Stanley B. Lutz, Esq. – Rigby Water
Craig A. Marks, Esq. – Dains Estate

ORIGINAL

NEW APPLICATION

COMMISSIONERS

KRISTIN K. MAYES, Chairman
GARY PIERCE
SANDRA D. KENNEDY
PAUL NEWMAN
BOB STUMP

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2010 SEP 23 P 3: 24

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Arizona Corporation Commission

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF RIGBY WATER COMPANY FOR
APPROVAL OF TRANSFER OF ASSETS
AND CONDITIONAL CANCELLATION OF
ITS CERTIFICATE OF CONVENIENCE
AND NECESSITY

DOCKET NO. W-01808A-10-0390

**APPLICATION FOR APPROVAL
OF TRANSFER OF ASSETS AND
CONDITIONAL CANCELLATION
OF CERTIFICATE OF
CONVENIENCE AND NECESSITY**

BRYAN CAVE LLP
TWO NORTH CENTRAL AVENUE, SUITE 2200
PHOENIX, ARIZONA 85004-4406
(602) 364-7000

Applicant Rigby Water Company hereby applies for a Commission order approving a transfer of its assets and operations to the City of Avondale (the "City") and canceling its Certificate of Convenience and Necessity (CC&N), conditioned upon the entry of a final order of condemnation in a pending state court condemnation case brought by the City entitled City of Avondale v. Rigby Water Company, Maricopa County Superior Court Case No. CV 2009-003060.

I. Background.

On January 30, 2009, the City filed a complaint in condemnation seeking to condemn the assets and operations of Rigby Water Company. A copy of the operative First Amended Complaint, dated May 14, 2009, which sets forth the real property and other assets being condemned, is attached as Exhibit A. A legal description of Rigby Water Company's CC&N is attached as Exhibit B. The City did not seek immediate possession of Rigby

EXHIBIT
A-1
ADMITTED
PENGAD 800-681-6888

1 Water Company or its operations after filing its complaint. Accordingly, Rigby Water
2 Company continues to provide service within its certificated area.

3 Following a private mediation held on August 9, 2010, Rigby Water Company and
4 the City agreed to a tentative settlement of the pending condemnation suit. Under that
5 settlement, the City will take title to all of Rigby Water Company's assets and operations
6 and will take over the provision of water service to the consumers located in Rigby Water
7 Company's CC&N upon entry of a final order of condemnation. Under condemnation law,
8 formal transfer of title to Rigby Water Company's assets and operations to the City will not
9 occur until a satisfaction of judgment and final order of condemnation is entered by the
10 Court. The tentative settlement was approved by the Avondale City Council on
11 September 7, 2010. The parties are currently finalizing settlement documents and will
12 stipulate to entry of a final judgment in condemnation when those documents are executed.
13 Upon subsequent entry by the Court of the final order of condemnation, the requested
14 CC&N cancellation would become permanent and unconditional.

15 **II. Contact Information.**

16 **A. Company Management.**

17 Rigby Water Company
18 Attn.: Judy Lopez
19 P.O. Box 1020
20 Apache Junction, Arizona 85217
480-677-6080

21 **B. Company's Attorneys.**

22 Steven A. Hirsch
23 Stanley B. Lutz
24 Bryan Cave LLP
25 2 North Central Avenue, Suite 2200
26 Phoenix, Arizona 85004
602-364-7000

27 **C. Condemnor.**

28 City of Avondale

1 Attn.: David Fitzhugh
2 11465 West Civic Drive
3 Avondale, Arizona 85323
4 602-333-1600

5 **D. Condemnor's Attorneys.**

6 David Pennartz
7 Andrew J. McGuire
8 Gust Rosenfeld P.L.C.
9 One East Washington Street, Suite 1600
10 Phoenix, Arizona 85004
11 602-257-7422

12 **IV. Requested Relief.**

13 Based on the foregoing, and pursuant to A.R.S. § 40-285, Rigby Water Company
14 respectfully requests that the Commission:

- 15 1. Schedule a hearing on this application as soon as practicable; and, thereafter,
- 16 2. Conditionally approve the cancellation and extinguishment of the Certificate
17 of Convenience and Necessity for Rigby Water Company depicted on the attached Exhibit
18 B, conditioned upon entry of a final order of condemnation in the City's pending
19 condemnation action, and issue its Final Order to this effect; and
- 20 3. Grant such further relief as may be appropriate in the circumstances.

21
22
23 RESPECTFULLY SUBMITTED this 23rd day of September, 2010.

24 BRYAN CAVE LLP

25
26
27 By 

28 Steven A. Hirsch, #006360
Stanley B. Lutz, #021195
Two N. Central Avenue, Suite 2200
Phoenix, AZ 85004-4406
Attorneys for Rigby Water Company

BRYAN CAVE LLP
TWO NORTH CENTRAL AVENUE, SUITE 2200
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(602) 364-7000

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ORIGINAL and 17 copies of the foregoing
filed this 23rd day of September, 2010 with:

Docket Control Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

COPIES of the foregoing hand-delivered
this 23rd day of September, 2010, to:

Lyn A. Farmer, Esq.
Chief Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Steve Olea
Director, Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

and

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

Dennis M. McCoy

Exhibit A

COPY

MAY 14 2009



MICHAEL K. JAMES, CLERK
J. GARCIA
DEPUTY CLERK

1 **GUST ROSENFELD P.L.C.**
201 E. Washington, Suite 800
2 Phoenix, AZ 85004-2327
(602) 257-7422
3 David A. Pennartz – 006429
Andrew J. McGuire – 016653
4 Eric McGlothlin – 026060

5 **Attorneys for City of Avondale**

6 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

7 **IN AND FOR THE COUNTY OF MARICOPA**

8 **CITY OF AVONDALE**, an Arizona
municipal corporation,

9 **Plaintiff,**

10 vs.

11 **RIGBY WATER COMPANY**, an Arizona
12 corporation, aka **RIGBY WATER**
COMPANY, INC.; **HELEN G. RIGBY**, a
13 single woman and widow of **WILLIAM**
FREEMAN RIGBY; unknown heirs and
14 devisees of **WILLIAM F. RIGBY**;
SENAIDA BANUELOS, a single person;
15 the **SPOUSE** of **OFELIA BANUELOS**, if
other than **Senaida Banuelos** on May 9,
16 1984; **TERESA CARRANZA**; **ASA R.**
ANDREWS and **IVA OPAL ANDREWS**,
17 husband and wife; unknown heirs and
devisees of **ASA R. ANDREWS** or **IVA**
18 **OPAL ANDREWS**, or both; unknown
successors in interest to **ASA R.**
19 **ANDREWS** and **IVA OPAL ANDREWS**
as fee owners and lessors of the property
20 described and all rights, obligations and
privileges held under that certain **Well-Site**
21 **Agreement** recorded in **Docket 12931**, Page
30, **Maricopa County Recorder's Office**;
22 **ARTHUR C. TOBIN**; unknown heirs and
devisees of **ARTHUR C. TOBIN**; unknown
23 successors in interest to **ARTHUR C.**
TOBIN as fee owner and grantor of
24 easement across the property described in
that conveyance of easement recorded as
25 Document No. 1996-0847690, **Maricopa**
County Recorder's Office; **STATE OF**
26 **ARIZONA** by the **ARIZONA DEPARTMENT**

No. CV2009-003060

**FIRST AMENDED COMPLAINT IN
CONDEMNATION (EMINENT
DOMAIN)**

Includes APN: APN 500-68-008-G; PART
APN 500-87-004A; PART APN 101-43-001;
APN 101-43-009A; PART APN 500-69-076;
PART APN 101-43-009-B

CASE PREFERENCE: A.R.S. §12-1121;
A.R.S. §9-518(L)

(Assigned to Honorable A. Craig Blakey, II)

1 OF REVENUE, as to any unpaid taxes on
2 centrally-valued utility property; COUNTY OF
3 MARICOPA, as to any unpaid real property
4 taxes; PARTY(IES) IN POSSESSION OF AN
5 UNRECORDED INTEREST; UNKNOWN
6 DEFENDANTS; HEIRS AND DEVISEES OF
7 THE ABOVE-NAMED DEFENDANTS, IF
8 DECEASED,

9 Defendants.

10
11 Plaintiff, City of Avondale ("Plaintiff," "City" or "Avondale"), by and
12 through its attorneys undersigned, for its cause of action alleges:

13 I

14 Plaintiff is a municipal corporation located within Maricopa County, Arizona,
15 duly organized and existing under the laws of the State of Arizona, and authorized by
16 the applicable provisions of the Arizona Revised Statutes to acquire by condemnation
17 the water utility plant, system, property, and other facilities utilized or which may be
18 utilized to provide water service to the public, as well as the Certificate(s) of
19 Convenience and Necessity, franchise(s), intangible assets and rights, and all other
20 assets of any type or nature owned by and/or associated with the utility operations of the
21 Rigby Water Company, and other items described below and subject to the exclusions
22 described below for the public purposes and uses specified below. Plaintiff's authority
23 to acquire the subject utility facilities and rights through this action is derived from the
24 applicable provisions of A.R.S. §§12-1111, *et seq.*, 9-511, *et seq.*, including 9-515, 9-
25 516 and 9-518, and/or 9-521, *et seq.*, including 9-522(A)(1) and 9-537.

26 II

This court has jurisdiction over this petition pursuant to one or more of the
statutes referred to in paragraph I.

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III

The property and property interests sought to be acquired by this action are all of the water utility plant, system, business, real and personal property and interests in property, and other facilities utilized or which may be utilized to provide water service to the public, as well as the Certificate(s) of Convenience and Necessity, franchise(s), intangible assets and rights, and all other assets of any type or nature owned by and/or associated in any way with the utility operations of the Rigby Water Company, located within and without the City, in Maricopa County, Arizona, including but not limited to those facilities, pumps, wells, waterlines, meters, personal property and/or other equipment, properties and rights used or useful to provide water service in the Rigby system or division and Holly Acres system or division both of the Rigby Water Company, including well sites, easements, leaseholds and other interests in real property described in Exhibit A attached hereto and incorporated herein, and all equipment and facilities thereon (collectively the "Subject Water Facilities"). In addition to the leasehold interest, easements, rights, obligations and privileges of Rigby Water Company, under that certain Well-Site Agreement recorded in Docket 12931, Page 30, Maricopa County Recorder's Office, Plaintiff intends by this action to acquire fee simple absolute title to the property described therein (aka Parcel 2 on attached Exhibit A), free and clear of any retained interests, claims, rights, obligations, and encumbrances of any nature for the sole use and benefit of Plaintiff and fee simple absolute title to said parcel is included within the "Subject Water Facilities" as described above.

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IV

The Plaintiff does not request condemnation of Defendant Rigby Water Company's non-utility property, equipment or furnishings, general plant assets, or working funds, receivables, other current assets or stock. The City does not in this

1 action assume any financial obligations or liabilities of Rigby Water Company. The
2 acquisition of the Subject Water Facilities provided in this First Amended Complaint in
3 Condemnation shall be free and clear of any such financial obligations or liabilities of
4 Rigby Water Company and of any rights, claims, liens, encumbrances or other interests
5 of any nature held by any person or entity named as Defendants above.

6 V

7 The Subject Water Facilities are believed to be located within all or a part of
8 Section 25, the Southeast Quarter (SE1/4) Section 26, the Northeast Quarter (NE1/4)
9 Section 35, the North Half (N1/2) of Section 36, Township 1 North (T1N), Range 1
10 West (R1W) and the North Three Quarters (N3/4) Section 30, and the North Half
11 (N1/2) Section 31, Township 1 North (T1N), Range 1 East (R1E), of the Gila and Salt
12 River Base and Meridian, in Maricopa County, Arizona.

13 VI

14 Plaintiff, through its City Council, duly enacted Ordinance No. 1336-1208, dated
15 December 1, 2008, which authorizes and directs that the City acquire by condemnation
16 all rights, title and interests in the Subject Water Facilities for public purpose and use,
17 for the purpose of being incorporated into the City's water service and delivery system,
18 future water resources and water service planning and development of the City and its
19 water system, and in order to provide current and future residents and businesses of the
20 City and others in the vicinity with water service by the City through its municipal
21 water system. This proceeding is brought to settle Plaintiff's right to acquire the
22 Subject Water Facilities through this action, to determine fair market value of the
23 Subject Water Facilities to be the total compensation to be paid by Plaintiff for the
24 taking of the Subject Water Facilities necessary for the stated public purpose, and to
25 determine what amounts of the total compensation are to be paid to which Defendants
26 or other claimants.

VII

Pursuant to A.R.S. §12-1117(2), Plaintiff alleges that it believes the following to be owners or claimants of the Subject Water Facilities sought to be acquired by this action, who accordingly are made Defendants herein:

RIGBY WATER COMPANY, an Arizona corporation, aka RIGBY WATER COMPANY, INC.;

HELEN G. RIGBY, a single woman and widow of WILLIAM FREEMAN RIGBY;

UNKNOWN HEIRS AND DEVISEES OF WILLIAM F. RIGBY;

SENAIDA BANUELOS, a single person;

The SPOUSE of OFELIA BANUELOS, if other than Senaida Banuelos on May 9, 1984;

TERESA CARRANZA;

ASA R. ANDREWS and IVA OPAL ANDREWS, husband and wife;

UNKNOWN HEIRS AND DEVISEES OF ASA R. ANDREWS or IVA OPAL ANDREWS, or both;

UNKNOWN SUCCESSORS IN INTEREST TO ASA R. ANDREWS and IVA OPAL ANDREWS as fee owners and lessors of the property described and all rights, obligations and privileges held under that certain Well-Site Agreement recorded in Docket 12931, Page 30, Maricopa County Recorder's Office;

ARTHUR C. TOBIN;

UNKNOWN HEIRS AND DEVISEES OF ARTHUR C. TOBIN;

UNKNOWN SUCCESSORS IN INTEREST TO ARTHUR C. TOBIN as fee owner and grantor of easement across the property described in that conveyance of easement recorded as Document No. 1996-0847690, Maricopa County Recorder's Office;

1 STATE OF ARIZONA by the ARIZONA DEPARTMENT OF REVENUE, as to
2 any unpaid taxes on centrally-valued utility property, under Title 42, Ch. 14;
3 COUNTY OF MARICOPA, as to any unpaid real property taxes;
4 PARTY(IES) IN POSSESSION OF AN UNRECORDED INTEREST;
5 UNKNOWN DEFENDANTS;
6 HEIRS AND DEVISEES OF THE ABOVE-NAMED DEFENDANTS, IF
7 DECEASED;

8 WHEREFORE, Plaintiff prays as follows:

9 1. That this Court enter a judgment in favor of Plaintiff, that the purpose for
10 the acquisition of the Subject Water Facilities sought to be acquired by this action is a
11 public use; and further adjudicating that the use to which the Subject Water Facilities
12 are to be put is a use authorized by law; and the acquisition of the property sought to be
13 acquired by this action is necessary to such use, as determined by the legislative body;

14 2. If subsequently applied for by the Plaintiff, for entry of an Interlocutory
15 Order of the Court permitting Plaintiff to take immediate possession of the Subject
16 Water Facilities, upon the deposit of money or a bond pursuant to A.R.S. §12-1116 in
17 an amount determined by the Court to be the probable damages for acquisition of the
18 subject property;

19 3. That the Court enter money judgments in favor of such Defendants as the
20 Court determines are entitled to compensation for said acquisition, in such amounts as
21 are determined by a jury or the Court, not to exceed the total compensation determined
22 by the Court;

23 4. That upon satisfaction by Plaintiff of such money judgments as are
24 awarded in favor of Defendants and against Plaintiff, the Court grant to Plaintiff a Final
25 Order of Condemnation conveying to Plaintiff the Subject Water Facilities and all
26 rights, title and interests in the subject water facilities sought to be acquired by this

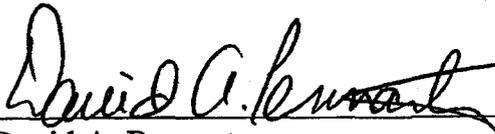
1 action as provided by law, free and clear of all claims adjudicated or that could have
2 been adjudicated in this action;

3 5. For costs incurred by Plaintiff in this action.

4 DATED this 14th day of May, 2009.

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GUST ROSENFELD P.L.C.

By 

David A. Pennartz
Andrew J. McGuire
Eric McGlothlin
201 E. Washington, Suite 800
Phoenix, AZ 85004-2327
(602) 257-7418 Telephone
(602) 340-1538 Facsimile
Attorneys for *City of Avondale*

EXHIBIT A

**RIGBY WATER COMPANY
PARCELS 1 THROUGH 6**

PARCEL NO. 1 (Well site APN 500-68-008G):

The East 93 feet of the South 238 feet of the East 10 rods of the Southeast quarter of the Southeast quarter of Section 25, Township 1 North, Range 1 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT the South 198 feet.

PARCEL NO. 2 (Portion APN 500-87-004A):

The South 38 feet of the West 30 feet of Lot 4, Sierra Estrella Ranchos, a subdivision recorded in Book 85 of Maps, Page 46, Maricopa County Recorder's Office, being situated in the S.E. Quarter of Section 26, Township 1 North, Range 1 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, except for an easement previously granted across the South 8 feet thereof;

TOGETHER WITH an Easement for water line across said Lot 4, Sierra Estrella Ranchos due North to Hidalgo Street; and

An easement for ingress and egress across said Lot 4, Sierra Estrella Ranchos to the above described leased property.

PARCEL NO. 3 (Portion APN 101-43-001):

An easement and privilege of placing, erecting, constructing, repairing, replacing, maintaining and using a single eight (8) inch water line across the following described property:

The Northeast quarter of the Southwest quarter of Section 30, Township 1 North, Range 1 East, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, said easement being 12.0 feet in width, 6 feet on either side of the following described center line:

Commencing at the center of said Section 30;

Thence South 6.00 feet to the True Point of Beginning;

Thence West along a line 6.00 feet South of and parallel with the East-West midsection line, to a point 100 feet East of the West line, thence South 45 degrees West a distance of 31.11 feet to a point;

Thence West along a line 28.00 feet South of and parallel with the East-West midsection line, to the West line of said Northeast quarter of the Southwest quarter of said Section 30 and there terminating;

TOGETHER with the right of ingress and egress to permit operation and maintenance of said water line, all as created in instrument recorded in Document No. 96-0847690.

PARCEL NO. 4 (Well Site APN 101-43-009A):

Lot Three (3), Dix-Lee, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 75 of Maps, Page 6.

EXCEPT THE North 150 feet thereof.

PARCEL NO. 5 (Well Site APN 500-69-076):

Tract A, Holly Acres, according to Book 110 of Maps, Page 12, records of Maricopa County, Arizona.

PARCEL NO. 6 (Portion APN 101-43-009B):

An easement for Roadway over the West 20 feet of the North 150 feet of Lot 3, Dix-Lee, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 75 of Maps, Page 6.

Exhibit B

Exhibit B
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 North Three Quarters
(N3/4) 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.



ORIGINAL

Stanley B. Lutz
Direct: 602-364-
sblutz@bryancav

November 8, 2010

NOV 10 2010

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

Bryan Cave LLP
One Renaissance Square
Two North Central Avenue
Suite 2200
Phoenix, AZ 85004-4406
Tel (602) 364-7000
Fax (602) 364-7070
www.bryancave.com

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

Bryan Cave Offices

- Atlanta
- Charlotte
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- Jefferson City
- Kansas City
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- Los Angeles
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- Paris
- Phoenix
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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.

Bryan Cave International Trade
A TRADE CONSULTING SUBSIDIARY
OF NON-LAWYER PROFESSIONALS

- www.bryancavetrade.com
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- Jakarta
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- Singapore
- Tokyo

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.

Bryan Cave Strategies
A GOVERNMENT RELATIONS AND
POLITICAL AFFAIRS SUBSIDIARY

- www.bryancavestrategies.com
- Washington, DC
- St. Louis

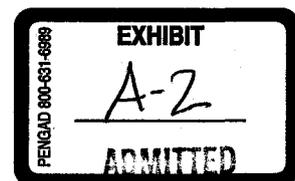
Arizona Corporation Commission
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AZ CORP COMMISSION
2010 NOV 12 P 12:25

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679208.1



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.

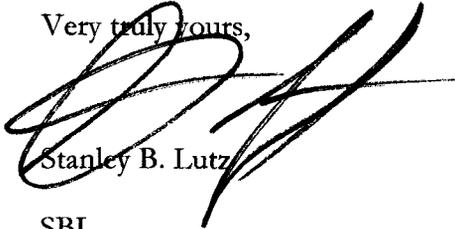
We trust that these responses satisfy the Insufficiency Letter. Because this transfer is in settlement of a condemnation suit, entry of a final order in condemnation and receipt of Rigby Water Company's constitutionally mandated just compensation is contingent upon cancellation of Rigby Water

Blessing N. Chukwu
November 8, 2010
Page 4

Bryan Cave LLP

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.



Executive Director

By:

Rebekah Werner

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.

ORIGINAL

COMMISSIONERS

KRISTIN K. MAYES, Chairman
GARY PIERCE
SANDRA D. KENNEDY
PAUL NEWMAN
BOB STUMP

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Arizona Corporation Commission
DOCKETED

AZ CORP COMMISSION
DOCKET CONTROL

MAR 14 2011

DOCKET CONTROL [Signature]

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF RIGBY WATER COMPANY FOR
APPROVAL OF TRANSFER OF ASSETS
AND CONDITIONAL CANCELLATION OF
ITS CERTIFICATE OF CONVENIENCE
AND NECESSITY

DOCKET NO. W-01808A-10-0390

**RIGBY WATER COMPANY'S
NOTICE OF FILING OF
DECLARATION OF JUDY LOPEZ
REGARDING MAILING AND
PUBLICATION**

BRYAN CAVE LLP
TWO NORTH CENTRAL AVENUE, SUITE 2200
PHOENIX, ARIZONA 85004-4406
(602) 364-7000

In accordance with the requirements of the Procedural Order, dated February 2, 2011, Applicant Rigby Water Company hereby provides notice of the filing of the Declaration of Judy Lopez concerning the mailing of notice of the pending Application to existing customers and publication in the West Valley Business, a newspaper of general circulation in the County of Maricopa, State of Arizona. The Affidavit of Publication is attached as Exhibit "B" to the Declaration of Judy Lopez.

RESPECTFULLY SUBMITTED this 14th day of March, 2011.

BRYAN CAVE LLP

By [Signature]

Steven A. Hirsch, #006360
Stanley B. Lutz, #021195
Two N. Central Avenue, Suite 2200
Phoenix, AZ 85004-4406
Attorneys for Rigby Water Company

EXHIBIT
A-3
ADMITTED
PENGAD 800-681-6889

1 ORIGINAL and 13 copies of the foregoing
filed this 14th day of March, 2011 with:

2 Docket Control Division
3 Arizona Corporation Commission
4 1200 West Washington Street
Phoenix, Arizona 85007

5
6 COPIES of the foregoing hand-delivered
this 14th day of March, 2011, to:

7 Lyn A. Farmer, Esq.
8 Chief Administrative Law Judge
9 Hearing Division
10 Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

11
12 Steve Olea
13 Director, Utilities Division
14 Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

15
16 Janice Alward, Chief Counsel
17 Legal Division
18 Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

19 and

20
21 COPY of the foregoing mailed
this 14th day of
22 March, 2011, to:

23 Craig A. Marks, Esq.
24 Craig A. Marks, PLC
25 10645 North Tatum Boulevard
Suite 200-676
26 Phoenix, Arizona 85028
Craig.Marks@azbar.org

27
28 J. Duane Williams

1 COMMISSIONERS

2 **GARY PIERCE, Chairman**

3 **BOB STUMP**

4 **SANDRA D. KENNEDY**

5 **PAUL NEWMAN**

6 **BRENDA BURNS**

7
8 **BEFORE THE ARIZONA CORPORATION COMMISSION**

9
10 IN THE MATTER OF THE APPLICATION
11 OF RIGBY WATER COMPANY FOR
12 APPROVAL OF TRANSFER OF ASSETS
13 AND CONDITIONAL CANCELLATION OF
14 ITS CERTIFICATE OF CONVENIENCE
15 AND NECESSITY

DOCKET NO. W-01808A-010-0390

16 **DECLARATION OF JUDY LOPEZ**

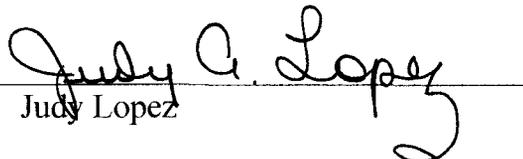
17 I declare,

18 1. I am the President of Applicant Rigby Water Company. I make this
19 declaration in support of Rigby Water Company's Application for Approval of Transfer of
20 Assets and Conditional Cancellation of its Certificate of Convenience and Necessity (the
21 "Application").

22 2. On February 17, 2011, Rigby Water Company mailed notice of its
23 Application, in the form attached as Exhibit "A," to all of its current customers.

24 3. On February 22, 2011, Notice of Rigby Water Company's Application was
25 also published in the West Valley Business, a newspaper of general circulation in Avondale.
26 A copy of the Affidavit of Publication is attached as Exhibit "B."

27 Executed on March 8, 2011 in Apache Junction, Arizona.

28 
Judy Lopez

Bryan Care LLP
Two North Central Avenue, Suite 2200
Phoenix, Arizona 85004-4406

EXHIBIT A

IN THE MATTER OF THE APPLICATION OF RIGBY WATER COMPANY
FOR APPROVAL OF A TRANSFER OF ASSETS AND CONDITIONAL
CANCELLATION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY
(Docket No. W-01808A-10-0390)

Summary

On September 23 2010, Rigby Water Company ("RIGBY") applied to the Arizona Corporation Commission ("Commission") for approval to transfer its assets and operations to the City of Avondale ("City") and to cancel its Certificate of Convenience and Necessity ("CC&N"), conditioned upon the entry of final order condemnation in a pending condemnation case brought by the City in the Maricopa County Superior Court. Rigby explained that the City had filed a complaint in condemnation on January 30, 2009, and that Rigby and the City have agreed to a tentative settlement of the pending condemnation case under which the City will take title to all of Rigby's assets and operations and will take over the provision of water service to Rigby's customers upon entry of a final order of condemnation. Under the tentative settlement, the City will not assume any financial obligations or liabilities of Rigby and will acquire Rigby's water facilities free and clear of any financial obligations or liability of Rigby.

The Commission's Utilities Division ("Staff") is in the process of analyzing the application and has not yet made any recommendations in this matter. The Commission is not bound by the proposals made by Rigby, Staff, or any intervenors. The Commission will determine whether to approve the transfer of assets and cancellation of the CC&N based on the evidence through an evidentiary hearing in this matter.

If You Are a Rigby Customer

If the transfer of assets and CC&N cancellation are approved, the City of Avondale will be the provider of water utility service to your area.

If you have a claim against Rigby, such as a claim for refund of a security deposit or service line and meter installation charge, or for refund on a main extension agreement, and you have not been contacted by Rigby regarding your claim, you must present your claim to Rigby by March 21, 2011.

How You Can View or Obtain a Copy of the Application and Other Documents

Copies of the application and the other documents filed in the matter are available at RIGBY's offices at 3880 S. De Niza Rd., Apache Junction, Arizona 85119 and at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona, 85007, for public inspection during regular business hours; and on the internet via the Commission's website (www.azcc.gov) using the e-docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing in this matter beginning on April 14, 2011, at 9:30 a.m. in Room 100 at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. W-01808A-10-0390 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington Street, Phoenix, Arizona, 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to <http://www.azcc.gov/Divisions/Utilities/forms/PublicCommentForm.pdf>. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or 602-542-4251.

EXHIBIT B

WEST VALLEY BUSINESS

FEB 24 2011

1050 E. Riley Dr., Avondale, AZ 85323 ❖ (623) 535-8439 ❖ Fax: (623) 935-2103

AFFIDAVIT OF PUBLICATION

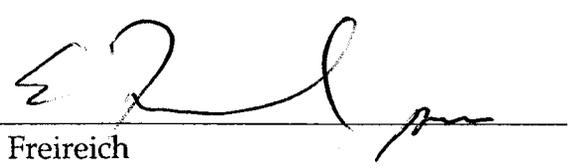
State of Arizona

County of Maricopa

I, Elliott Freireich, publisher of West Valley View and West Valley Business, newspapers of general circulation in Avondale, Buckeye, Goodyear, Litchfield Park and Tolleson, Arizona, attest that the legal advertisement for

Rigby Water Company
Public Notice - Tocket! No. W-01808A-10-0390
In the matter of the application for approval
of a transfer of assets and conditional con-
cellation of its certificate of Convenience and
Necessity.

will be / has been published on February 22, 2011



Elliott Freireich
President, West Valley View Inc.

February 22, 2011
Date

SUBSCRIBED AND SWORN TO BEFORE ME ON THE
22 DAY OF February (Month), 2011 (YEAR)

NOTARY SIGNATURE: Renee Ream Hartman



Public Notice

**IN THE MATTER OF THE
APPLICATION OF RIGBY
WATER COMPANY
FOR APPROVAL OF A
TRANSFER OF ASSETS AND
CONDITIONAL
CANCELLATION OF ITS
CERTIFICATE OF
CONVENIENCE AND
NECESSITY.**

(Docket No. W-01808A-10-0390)

Summary

On September 23, 2010, Rigby Water Company ("RIGBY") applied to the Arizona Corporation Commission ("Commission") for approval to transfer its assets and operations to the City of Avondale ("City") and to cancel its Certificate of Convenience and Necessity ("CC&N"), conditioned upon the entry of final order of condemnation in a pending condemnation case brought by the City in the Maricopa County Superior Court. Rigby explained that the City had filed a complaint in condemnation on January 30, 2009, and that Rigby and the City have agreed to a tentative settlement of the pending condemnation case under which the City will take title to all of Rigby's assets and operations and will take over the provision of water service to Rigby's customers upon entry of a final order of condemnation. Under the tentative settlement, the City will not assume any financial obligations or liabilities of Rigby and will acquire Rigby's water facilities free and clear of any financial obligations or liability of Rigby.

The Commission's Utilities Division ("Staff") is in the process of analyzing the application and has not yet made any recommendations in this matter. The Commission is not bound by the proposals made by Rigby, Staff, or any intervenors. The Commission will determine whether to approve the transfer of assets and cancellation of the CC&N based on the evidence through an evidentiary hearing in this matter.

If You Are a Rigby Customer

If the transfer of assets and CC&N cancellation are approved, the City of Avondale will be the provider of water utility service to your area.

If you have a claim against Rigby, such as a claim for refund of a security deposit or service line and meter installation charge, or for refund on a main extension agreement, and you have not been contacted by Rigby regarding your claim, you must present your claim to Rigby by March 21, 2011.

How You Can View or Obtain a Copy of the Application and Other Documents

Copies of the application and the other documents filed in the matter are available at RIGBY's offices at 3880 S. De Niza Rd., Apache Junction, Arizona 85119 and at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona, 85007, for public inspection during regular business hours; and on the internet via the Commission's website (www.azcc.gov) using the e-docket function.

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About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you desire to intervene, you must file a written motion to intervene with the Commission no later than **March 21, 2011**. You must send a copy of the motion to RIGBY or its counsel and to all parties of record. Your motion to intervene must contain the following:

1. Your name, address, and telephone number and the name, address, and telephone number of any person upon whom service of documents is to be made, if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of RIGBY, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to RIGBY or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that **all motions to intervene must be filed on or before March 21, 2011**. If representation by counsel is required by Arizona

Supreme Court Rule 31, intervention will be conditioned upon the intervenor's obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses.

However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator Shaylin

Bernal, email - sabernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

Published in the West Valley View, and the West Valley Business on February 22, 2011.

ORIGINAL

MEMORANDUM

TO: Docket Control

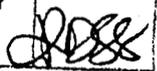
FROM: Steven M. Olea
Director
Utilities Division

Date: March 15, 2011

Arizona Corporation Commission

DOCKETED

MAR 15 2011

DOCKETED BY 

RE: **STAFF REPORT FOR RIGBY WATER COMPANY-- APPLICATION FOR APPROVAL OF TRANSFER OF ITS ASSETS TO THE CITY OF AVONDALE AND CONDITIONAL CANCELLATION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR WATER SERVICE (DOCKET NO. W-01808A-10-0390)**

Attached is the Staff Report for Rigby Water Company's Application for approval of transfer of its Assets to The City of Avondale and conditional cancellation of its Certificate of Convenience and Necessity for water service in Maricopa County, Arizona. Staff is recommending approval with conditions.

SMO:BNC:red

Originator: Blessing Chukwu

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2011 MAR 15 A 10: 07

RECEIVED

tabbles
EXHIBIT
5-1
ADMITTED

Service List for: Rigby Water Company
Docket No. W-01808A-10-0390

Mr. Stanley B. Lutz
Bryan Cave LLP
2 North Central Avenue, Suite 2200
Phoenix, Arizona 85004

Ms. Janice Alward
Chief, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Steven M. Olea
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Lyn Farmer
Chief, Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

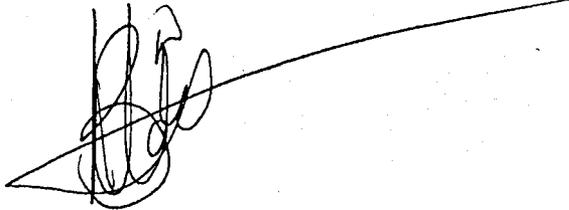
RIGBY WATER COMPANY
DOCKET NO. W-01808A-10-0390

APPLICATION FOR APPROVAL OF TRANSFER
OF ITS ASSETS TO THE CITY OF AVONDALE AND CONDITIONAL CANCELLATION
OF ITS CERTIFICATE CONVENIENCE AND NECESSITY

MARCH 15, 2011

STAFF ACKNOWLEDGMENT

The Staff Report for Rigby Water Company (Docket No. W-01808A-10-0390) was the responsibility of the Staff members signed below. Blessing Chukwu was responsible for the review and analysis of the Company's application. Del Smith was responsible for the engineering and technical analysis.

A handwritten signature in black ink, appearing to be 'B. Chukwu', with a long horizontal line extending to the right from the end of the signature.

Blessing Chukwu
Executive Consultant

A handwritten signature in black ink, appearing to be 'Del Smith', written in a cursive style.

Del Smith
Engineering Supervisor

**EXECUTIVE SUMMARY
RIGBY WATER COMPANY
DOCKET NO. W-01808A-10-0390**

On September 23, 2010, Rigby Water Company ("Rigby" or "Company" or "Transferor") filed an Application with the Arizona Corporation Commission ("ACC" or "Commission") for approval of transfer of its Assets to the City of Avondale ("City" or "Transferee") and conditional cancellation of its Certificate of Convenience and Necessity ("CC&N") for water service in Maricopa County, Arizona. On December 21, 2010, Staff filed a Sufficiency Letter indicating that the Application had met the sufficiency requirements of the Arizona Administrative Code.

Rigby is an Arizona Corporation that provides potable water to approximately 326 customers in Maricopa County. The Commission granted the Company a CC&N in Decision No. 34228, issued December 14, 1962. In Commission Decision No. 66172, dated August 13, 2003, portions of the Rigby CC&N were transferred to the City of Phoenix. Rigby's current CC&N covers approximately three square miles, in the West Valley, in the general area of Southern Avenue and Avondale Boulevard. The City of Avondale's boundaries extend to the north and south of the Rigby's CC&N. The City desires to provide water service to the residents and businesses within the City limits and others in the vicinity through its municipal water system and has filed a complaint in condemnation seeking to condemn the assets and operations of Rigby. The Company and the City agreed to a tentative settlement of the pending condemnation suit. Under that settlement, the City will take title to all of Rigby's assets and operations and will take over the provision of water service to the consumers located in Rigby's CC&N upon entry of a final order of condemnation. The tentative settlement was approved by the City Council on September 7, 2010.

According to the Application, all customer security deposits and refunds due on meter and service line installations will be transferred to the City. The Company is a party to one Main Extension Agreement ("MXA") with Terra Ranchettes and under its agreement with the City, Rigby will continue to pay refunds to the developer for the remaining term of the MXA, using annual water sold and revenue data provided to Rigby by the City to allow the refund amount to be calculated. The MXA is the subject of a Complaint filed against Rigby in Docket No. W-01808A-09-0137, by the Estate of Charles J. Dains, the successor party.

Staff concludes that the proposed transfer of Assets and the conditional cancellation of Rigby's CC&N will not have an adverse effect on Rigby's customers and their water service. Staff understands that the City plans to undertake system improvements.

Staff recommends the Commission approve Rigby's Application for the transfer of its assets to the City of Avondale and conditional cancellation of its CC&N for water service within portions of Maricopa County, Arizona, subject to compliance with the following conditions:

1. That Rigby be required to file with Docket Control, as a compliance item, in this docket, copies of all documentation transferring ownership of its water systems

and assets to the City, within 120 days of the effective date of a decision in this matter.

2. That Rigby's CC&N stay in effect, for the sole purpose of the MXA refund, until all the MXA is paid or when the time elapses whichever comes first.
3. That Rigby be required to file a motion, with Docket Control, as a compliance item, in this docket, within 30 days of all the MXA being paid or when the term of the MXA expires, whichever comes first, requesting the cancellation of its CC&N. Within 90 days after Rigby files its motion and on Staff's verification that the Company has paid all the MXA or that the term of the MXA has expired, whichever comes first, Staff shall prepare and docket a Recommended Order granting the cancellation of CC&N for Commission approval.

Staff further recommends that the Commission's Decision granting the approval of transfer of assets to the City and the conditional cancellation of the CC&N be considered null and void, after due process, should Rigby fail to meet Conditions No. 1, 2, and 3 listed above within the specified time.

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ACC COMPLIANCE.....	3
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INTRODUCTION

On September 23, 2010, Rigby Water Company ("Rigby" or "Company" or "Transferor") filed an Application with the Arizona Corporation Commission ("ACC" or "Commission") for approval of transfer of its Assets to the City of Avondale ("City" or "Transferee") and conditional cancellation of its Certificate of Convenience and Necessity ("CC&N") for water service in Maricopa County, Arizona.

On December 21, 2010, Staff filed a Sufficiency Letter indicating that the Application had met the sufficiency requirements of the Arizona Administrative Code ("A.A.C.").

BACKGROUND

Rigby is an Arizona Corporation, in good standing with the Commission's Corporations Division.

Rigby is located in Maricopa County where it provides potable water to approximately 326 customers. The Company provides water service to its customers in Maricopa County, Arizona, pursuant to Commission Decision No. 34228 (December 14, 1962). In Commission Decision No. 66172, dated August 13, 2003, portions of the Rigby CC&N were transferred to the City of Phoenix. Rigby's current CC&N covers approximately three square miles in portions of Sections 25, 26, 35 and 36 of Township 1 North, Range 1 West and Sections 30 and 31 of Township 1 North, Range 1 East located in the West Valley in the general area of Southern Avenue and Avondale Boulevard.

The City of Avondale's boundaries extend to the north and south of the Rigby's CC&N. The City desires to provide current and future residents and businesses within the City limits and others in the vicinity with water service by the City through its municipal water system.

THE WATER SYSTEM

Rigby has two water systems, namely: the Holly Acres water system, Public Water System Identification ("PWS ID") #07-608, and the Rigby water system, PWS ID #07-062. In its Response, dated November 8, 2010 (docketed November 12, 2010), to the Commission Utilities Division Staff ("Staff") Insufficiency Letter, Rigby provided a detailed list of assets that would be transferred to the City under the settlement. (See Exhibit C in the Company's response.) All Rigby's water utility assets which include several wells, storage and pressure tanks of various size, booster pumps and distribution plant will be acquired by the City. The land the wells are located on will be transferred to the City; no other real improvements (buildings, structures, etc) exist. Staff understands that the Rigby's systems will be interconnected to the City water system. The City will bring these systems up to its more

stringent standards i.e., larger mains will be installed and the Rigby wells will eventually be abandoned.¹

THE TRANSACTION

Rigby's CC&N area is located in the West Valley, in the general vicinity of Southern Avenue and Avondale Boulevard, in Maricopa County, Arizona. The Company's CC&N covers approximately three square miles, in portions of Sections 25, 26, 35 and 36 of Township 1 North, Range 1 West and Sections 30 and 31 of Township 1 North, Range 1 East.

By this Application, Rigby is seeking Commission authority to transfer its assets to the City and a conditional cancellation of its CC&N, in the location described above.

On January 30, 2009, the City filed a complaint in condemnation seeking to condemn the assets and operations of Rigby. The City did not seek immediate possession of Rigby or its operations after filing its complaint. Accordingly, Rigby continues to provide service within its certificated area. On August 9, 2010, Rigby and the City agreed to a tentative settlement of the pending condemnation suit. Under that settlement, the City will take title to all of Rigby's assets and operations and will take over the provision of water service to the consumers located in Rigby's CC&N upon entry of a final order of condemnation. The tentative settlement was approved by the City Council on September 7, 2010.

According to the Application, all customer security deposits and refunds due on meter and service line installations will be transferred to the City. The Company is a party to one Main Extension Agreement ("MXA") with Terra Ranchettes and under its agreement with the City, Rigby will continue to pay refunds to the developer for the remaining term of the MXA, using annual water sold and revenue data provided to Rigby by the City to allow the refund amount to be calculated. The MXA is the subject of a Complaint filed against Rigby in Docket No. W-01808A-09-0137, by the Estate of Charles J. Dains, the successor party to the MXA.

Staff recommends that Rigby's CC&N stay in effect, for the sole purpose of the refund, until all the MXA is paid or when the time elapses, whichever comes first. Staff also recommends that Rigby be required to file a motion with Docket Control, as a compliance item in this docket, after all the MXA is paid or when the time elapses, whichever comes first, requesting for the cancellation of its CC&N. Staff further recommends that within 90 days after Rigby files its motion and on Staff's verification that the Company has paid all the MXA or that the time has elapsed, whichever comes first, Staff shall prepare and docket a Recommended Order granting the cancellation of CC&N for Commission approval.

¹ Rigby's wells tend to be higher in nitrates and arsenic than the City wells because of their location.

MARICOPA COUNTY ENVIRONMENTAL SERVICE DEPARTMENT ("MCESD") COMPLIANCE

MCESD reported that Holly Acres water system, PWS ID #07-608, and the Rigby water system, PWS ID #07-062 have no major deficiencies and are delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4.²

MCESD regulates the City's water system under Arizona Department of Environmental Quality ("ADEQ") PWS ID #07-088. Based on a Compliance Status Request, dated November 23, 2010, the system has no major deficiencies and is delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4.

ARIZONA DEPARTMENT OF WATER RESOURCES ("ADWR") COMPLIANCE

ADWR has determined that Rigby is currently compliant with departmental requirements governing water providers and/or community water systems.³

ACC COMPLIANCE

According to the Utilities Division Compliance Section, the Company has no outstanding ACC compliance issues.

PROPOSED RATES

Upon the transfer of the Company's assets to the City, the customers in the affected CC&N areas will be charged the City's rates for water service. The City's rates are lower than that of the Company's for low usage customers, while rates are higher for usage rates that are 10,000 gallons or more.

RECOMMENDATIONS

Staff recommends the Commission approve Rigby's Application for the transfer of its assets to the City of Avondale and conditional cancellation of its CC&N for water service within portions of Maricopa County, Arizona, subject to compliance with the following conditions:

1. That Rigby be required to file with Docket Control, as a compliance item in this docket, copies of all documentation transferring ownership of its water systems and assets to the City, within 120 days of the effective date of a decision in this matter.

² Holly Acres water system compliance status as of October 14, 2010. Rigby water system compliance status as of October 12, 2010.

³ Compliance status as of October 5, 2010.

2. That Rigby's CC&N stay in effect, for the sole purpose of the MXA refund, until all the MXA is paid or when the time elapses whichever comes first.
3. That Rigby be required to file a motion, with Docket Control, as a compliance item, in this docket, within 30 days of all the MXA being paid or when the term of the MXA expires, whichever comes first, requesting the cancellation of its CC&N. Within 90 days after Rigby files its motion and on Staff's verification that the Company has paid all the MXA or that the term of the MXA has expired, whichever comes first, Staff shall prepare and docket a Recommended Order granting the cancellation of CC&N for Commission approval.

Staff further recommends that the Commission's Decision granting the approval of transfer of assets to the City and the conditional cancellation of the CC&N be considered null and void, after due process, should Rigby fail to meet Conditions No. 1, 2, and 3 listed above within the specified time.

MEMORANDUM

DATE: November 30, 2010

TO: Blessing Chukwu
Executive Consultant III

FROM: Del Smith 
Engineering Supervisor

RE: APPLICATION OF RIGBY WATER COMPANY FOR APPROVAL OF
THE SALE OF WATER SYSTEM ASSETS AND FOR CANCELLATION
OF CERTIFICATE OF CONVENIENCE AND NECESSITY
(DOCKET NO. W-01808A-10-0390)

Introduction and Background

Rigby Water Company ("Rigby" or "Company") has applied to the Arizona Corporation Commission ("Commission") to sell its water system assets to the City of Avondale ("City") and cancel its Certificate of Convenience and Necessity ("CC&N"). The Company was granted its original CC&N in Commission Decision No. 34228, dated December 14, 1962, to provide water service in Maricopa County, Arizona. In Commission Decision No. 66172 dated August 13, 2003, portions of the Rigby CC&N were transferred to the City of Phoenix. Rigby's current CC&N covers approximately three square miles in portions of Sections 25, 26, 35 and 36 of Township 1 North, Range 1 West and Sections 30 and 31 of Township 1 North, Range 1 East located in the West Valley in the general area of Southern Avenue and Avondale Boulevard. City boundaries extend to the north and south of the Rigby CC&N. The City desires to provide current and future residents and businesses of the City and others in the vicinity with water service by the City through its municipal water system.

On January 30, 2009, the City filed a complaint in condemnation seeking to condemn the assets and operations of Rigby. The City did not seek immediate possession of Rigby or its operations after filing its complaint. Accordingly, Rigby continues to provide service within its certificated area. On August 9, 2010, Rigby and the City agreed to a tentative settlement of the pending condemnation suit. Under that settlement, the City will take title to all of Rigby assets and operations and will take over the provision of water service to the consumers located in Rigby's CC&N upon entry of a final order of condemnation.

Rigby Water System Assets

Rigby customers are currently being served by two water systems. These systems have been identified as the Holly Acres water system, Public Water System Identification ("PWS ID") #07-608, and the Rigby water system, PWS ID #07-062. In its reply dated November 8, 2010 (docketed November 12, 2010) to the Commission Utilities Division Staff ("Staff") Insufficiency Letter, Rigby provided a detailed list of assets that would be transferred to the City under the settlement.¹ All Rigby water utility assets which include several wells, storage and pressure tanks of various size, booster pumps and distribution plant will be acquired by the City.² Staff understands that the Rigby systems will be interconnected to the City water system. The City will bring these systems up to its more stringent standards i.e., larger mains will be installed and the Rigby wells will eventually be abandoned.³

Maricopa County Environmental Service Department ("MCESD") Compliance Status

Holly Acres and Rigby water systems

MCESD reported that Holly Acres water system, PWS ID #07-608, and the Rigby water system, PWS ID #07-062 have no major deficiencies and are delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4.⁴

City water system

MCESD regulates the City water system under ADEQ PWS ID #07-088. Based on a Compliance Status Request, dated November 23, 2010, the system has no major deficiencies and is delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4.

Arizona Department of Water Resources ("ADWR") Compliance

ADWR has determined that Rigby is currently compliant with departmental requirements governing water providers and/or community water systems.⁵

¹ See Exhibit C in the Company's reply.

² The land the wells are located on will be transferred to the City, no other real improvements (buildings, structures, etc) exist.

³ Rigby's wells tend to be higher in nitrates and arsenic than the City wells because of their location.

⁴ Holly Acres water system compliance status as of October 14, 2010. Rigby water system compliance status as of October 12, 2010.

⁵ Compliance status as of October 5, 2010.

Commission Compliance

A check with the Utilities Division Compliance Section showed no delinquent compliance items for Rigby.⁶

Summary

Conclusions

1. Staff concludes that the proposed Sale of Assets and CC&N cancellation will not have an adverse effect on Rigby customers and their water service. Staff understands that the City plans to undertake system improvements.
2. MCESD reported that the Rigby water systems have no major deficiencies and are delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4.
3. MCESD reported that the City water system has no major deficiencies and is delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4.
4. ADWR has determined that Rigby is currently compliant with departmental requirements governing water providers and/or community water systems.
5. A check with the Utilities Division Compliance Section showed no delinquent compliance items for Rigby.

⁶ Compliance status as of October 1, 2010.

MEMORANDUM

TO: Blessing Chukwu
Executive Consultant III
Utilities Division

FROM: Lori H. Miller 
Programs & Projects Specialist II
Utilities Division

THRU: Del Smith 
Engineering Supervisor
Utilities Division

DATE: November 19, 2010

RE: **RIGBY WATER COMPANY (DOCKET NO. W-01808A-10-0390)**

Rigby Water has filed an application to cancel its CC#N. Service will be provided by the City of Avondale.

Attached is a copy of the map and the amended legal description for your files.

/lhm

Attachment

cc: Mr. Steven A. Hirsch
Mr. David Fitzhugh
Ms. Deb Person (Hand Carried)
Mr. Del Smith

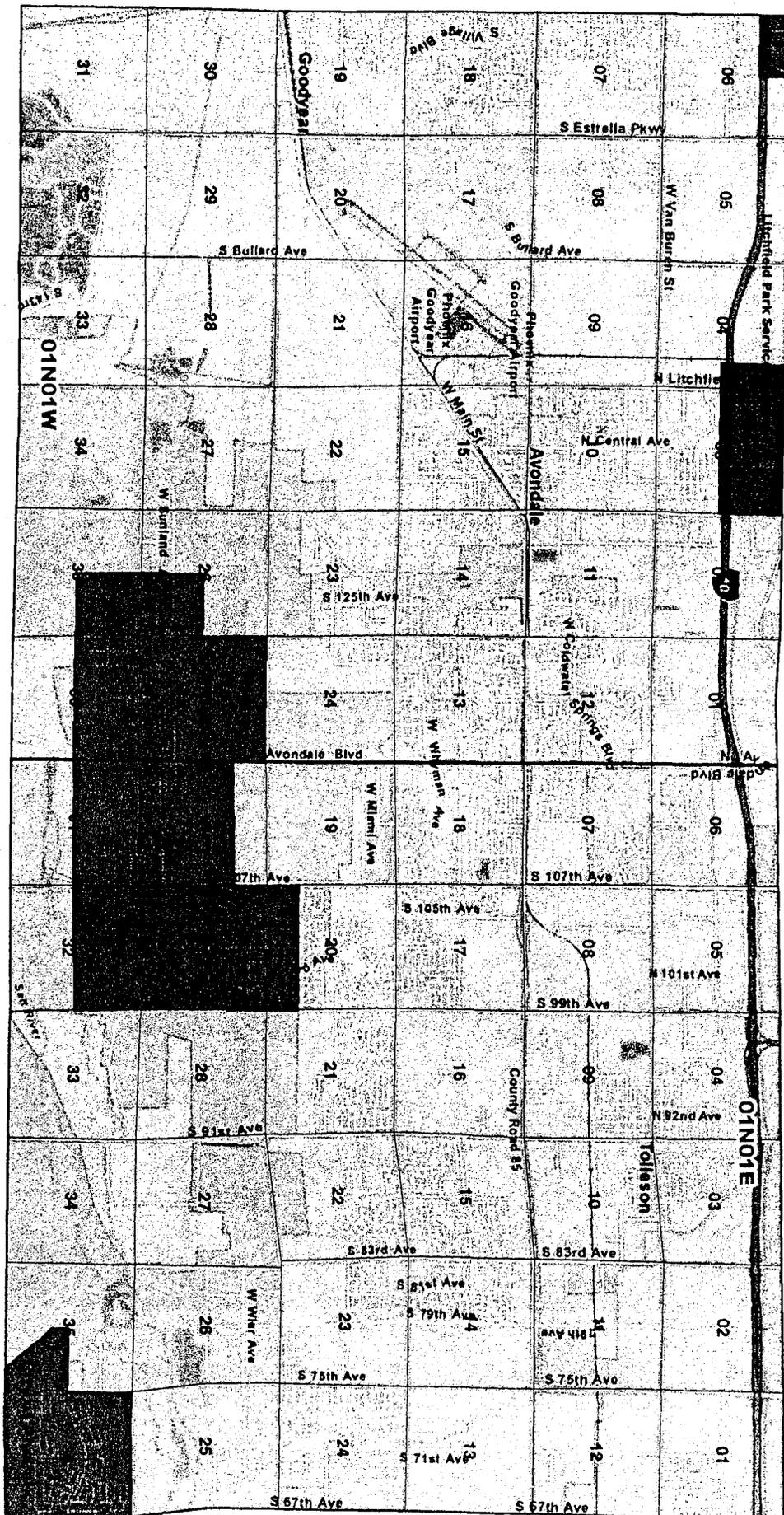


Exhibit E
Corrected Legal Description of Rigby Water Company's
Certificate of Convenience and Necessity

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.