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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2011 MAY -3 P 3: 52

Arizona Corporation Commission

DOCKETED

GARY PIERCE, CHAIRMAN
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SANDRA D. KENNEDY
BOB STUMP
BRENDA BURNS

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

MAY 3 2011

DOCKETED BY	<i>[Signature]</i>
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IN THE MATTER OF THE
APPLICATION OF WICKENBURG
RANCH WASTEWATER, AN
ARIZONA LIMITED LIABILITY
COMPANY, FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
PROVIDE WASTEWATER SERVICE
IN YAVAPAI COUNTY

Docket No. SW-20769A-10-0469

COMMENTS ON STAFF REPORT

Wickenburg Ranch Wastewater, LLC ("Company") concurs with the statements and recommendations made by the Arizona Corporation Commission ("Commission") staff ("Staff") set forth in the Staff Report dated April 21, 2011, with one exception.

In this report, Staff recommends that Van Development, Inc. ("VDC"), be brought into compliance with the Commission's annual report requirements. The apparent premise of the recommendation is that VDC is transacting business in the State of Arizona. But A.R.S. § 10-1501(B)(9) expressly states that owning real property does not constitute transacting business within the state. Consistent with this statute, courts have ruled that "transacting business in state," means being engaged in an enterprise of some permanence and durability. *See National Union Indemnity Co. v. Bruce Bros.*, 44 Ariz.

1 454, 38 P.2d 648 (1934); *Monaghan & Murphy Bank v. Davis*, 27 Ariz. 532; 234 P. 818
2 (1925).

3
4 Here, VDC is a Kansas corporation and is in good standing in the State of Kansas.
5 While VDC owns land in Arizona, it does not conduct business in Arizona. Thus, there
6 is no requirement that VDC register and file annual reports with the Commission.
7

8 Further, over a decade ago, VDC had registered to transact business in Arizona.
9 In September of 2000, that registration was cancelled. Pursuant to A.R.S § 10-1531,
10 VDC had six years to reinstate its registration and request re-authorization to do business
11 in Arizona. Yet, VDC was not conducting business in the state, so it allowed the
12 registration to be permanently rescinded. Hence, there is no reason for VDC to file the
13 annual reports as recommended by Staff.
14

15 Finally, the Company noticed that the Staff Report included two scheduled labeled
16 GTM-5. The Company and Staff discussed this issue and have concluded that the second
17 schedule is correct. Accordingly, there is no objection.
18

19
20 **Moyes Sellers Ltd.**

21 

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26

27 **Original and thirteen** copies filed this
28 30th day of March, 2011, with:

1 Docket Control
2 Arizona Corporation Commission
3 1200 West Washington
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Donnelly Herbert