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BEFORE THE ARIZONA CORPORATION

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Arizona Corporation Commission

26

COMMISSIONERS

DOCKETED

2006 AUG 25 P 4:40

JEFF HATCH-MILLER – Chairman  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
BARRY WONG

AUG 25 2006

AZ CORP COMMISSION  
DOCUMENT CONTROL

DOCKETED BY  
*JK* *NR*

IN THE MATTER OF THE APPLICATION OF  
ARIZONA WATER COMPANY TO EXTEND  
ITS EXISTING CERTIFICATE OF  
CONVENIENCE AND NECESSITY FOR ITS  
COOLIDGE SYSTEM, PINAL COUNTY,  
ARIZONA.

DOCKET NO. W-01445A-06-0317

JOINDER OF WOODRUFF WATER  
COMPANY IN GLOBAL'S  
OBJECTION TO STAFF REPORT

Woodruff Water Company ("Woodruff") hereby joins in the objection of Santa Cruz Water Company, LLC, Palo Verde Utilities Company, LLC, Global Water-Santa Cruz Water Company and Global Water-Palo Verde Utilities Company (collectively, "Global") filed contemporaneously herewith to the June 22, 2006, Staff Report filed in the above-captioned case. In addition, Woodruff has the following supplemental comments.

On May 4, 2006, Arizona Water Company ("AWC") filed with the Commission an application (the "Application") to extend its existing Certificate of Convenience and Necessity ("CC&N") for its Coolidge system in Pinal County, Arizona ("Extension Area"). The Extension Area includes approximately 720 acres of real property in Section 19, Township 5 South, Range 8 East, G&SRB&M (the "Cardon Hiatt Property") owned by the Cardon Hiatt Companies, *et al.* (collectively, "Cardon Hiatt"). On August 15, 2006, Craig D. Cardon of Cardon Hiatt filed a letter with Docket Control dated August 9, 2006, explaining Cardon Hiatt's opposition to the inclusion of the Cardon Hiatt Property in the Extension Area. A copy of Cardon Hiatt's August 9, 2006, letter is attached as Attachment "A."

Just seven months ago, the Commission denied AWC's request to include within its CC&N the very same Cardon Hiatt Property, based on a letter from Craig D. Cardon dated May 20, 2003, requesting exclusion. *See* Decision 68453 (Feb. 2, 2006). A copy of Cardon Hiatt's

1 May 20, 2003, letter is attached as Attachment "B." The May 20, 2003, letter and the August 9,  
2 2006, letter are virtually identical. The Cardon Hiatt Property should be excluded from this case  
3 just like it was pursuant to Decision 68453. It should also be noted that AWC did not oppose the  
4 exclusion of the Cardon Hiatt Property in the prior case.

5 As stated in its Motion to Intervene filed August 21, 2006,<sup>1</sup> Woodruff is in early  
6 discussions with Cardon Hiatt regarding the provision of water service to the Cardon Hiatt  
7 Property by Woodruff. In the event that these discussions produce an agreement between  
8 Woodruff and Cardon Hiatt, Woodruff will file an application to extend its CC&N to include the  
9 Cardon Hiatt Property. If the application of AWC is approved in this case without excluding the  
10 Cardon Hiatt Property, then Woodruff would of course be foreclosed from serving the Cardon  
11 Hiatt Property. Therefore, Woodruff requests that the Cardon Hiatt Property be excluded from  
12 the Extension Area in this case, in accordance with the request of Cardon Hiatt. Alternatively, if  
13 the Commission does not exclude the Cardon Hiatt Property, then Woodruff requests that:  
14 (i) Woodruff be granted leave to intervene in this case; (ii) Woodruff be allowed reasonable  
15 additional time to conclude its discussions with Cardon Hiatt regarding the provision of water  
16 service to the Cardon Hiatt Property by Woodruff; and (iii) if Cardon Hiatt requests Woodruff to  
17 provide water service to the Cardon Hiatt Property, then Woodruff be allowed reasonable time to  
18 prepare a competing application to extend its CC&N to include the Cardon Hiatt Property.

19 RESPECTFULLY SUBMITTED this 25th day of August, 2006.

20 SNELL & WILMER

21 

22 Jeffrey W. Crockett  
23 Kimberly A. Grouse

24 One Arizona Center  
25 Phoenix, AZ 85004-2202

26 (602) 382-6234

27 Attorneys for Woodruff Water Company

28 <sup>1</sup> There has been no ruling on Woodruff's Motion to Intervene as of the date of this filing. Woodruff is filing these brief comments regarding the Staff Report in this case because comments are due today. However, in the event that Woodruff's Motion to Intervene is granted, Woodruff would request the right to supplement this Joinder in Global's Objection to Staff Report with additional comments.

1 ORIGINAL and thirteen (13) copies  
2 filed with Docket Control this 25th  
3 day of August, 2006.

4 COPY of the foregoing hand-delivered  
5 this 25th day of August, 2006, to:

6 Yvette B. Kinsey, Chief Administrative Law Judge  
7 Hearing Division  
8 ARIZONA CORPORATION COMMISSION  
9 1200 West Washington Street  
10 Phoenix, Arizona 85007

11 Christopher C. Kempley, Chief Counsel  
12 Legal Division  
13 ARIZONA CORPORATION COMMISSION  
14 1200 West Washington Street  
15 Phoenix, Arizona 85007

16 Ernest G. Johnson, Director  
17 Utilities Division  
18 ARIZONA CORPORATION COMMISSION  
19 1200 West Washington Street  
20 Phoenix, Arizona 85007

21 COPY of the foregoing sent via first class  
22 mail and electronic mail this 25th day of  
23 August, 2006, to:

24 Steven A. Hirsch, Esq. (sahirsch@bryancave.com)  
25 Rodney W. Ott, Esq. (rwott@bryancave.com)  
26 BRYAN CAVE LLP  
27 Two North Central Ave., Suite 2200  
28 Phoenix, Arizona 85004-4406

Robert W. Geake (bgeake@azwater.com)  
Vice President and General Counsel  
ARIZONA WATER COMPANY  
P.O. Box 29006  
Phoenix, Arizona 85038



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# **ATTACHMENT A**

**CARDON HIATT ORIGINAL**  
**COMPANIES**

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August 9, 2006

2006 AUG 15 A 8 22

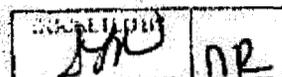
AZ CORP COMMISSION  
DOCUMENT CONTROL

FACSIMILE (602) 542-4230 and (602) 542-3402

Arizona Corporation Commission  
**DOCKETED**

Arizona Corporation Commission  
Docket Control  
1200 West Washington Street  
Phoenix, Arizona 85007  
Via DHL OVERNIGHT

AUG 15 2006



Re: **Arizona Water Company: Application for Extension of Certificate of Convenience and Necessity/Docket W-01445A-06-0317**

Dear Commissioners:

The Cardon Hiatt Companies, et.al. ("Cardon Hiatt") own approximately 720 acres of real property located in Section(s) 19, Township 5 South, Range 8 East (the "Property"). The Property is not currently within an existing Certificate of Convenience and Necessity ("CC&N") for either water or sewer service. However, by the above referenced application, Arizona Water Company ("AWC") seeks to include the Property within their respective CC&N. For the reasons more fully explained below, Cardon Hiatt submits this correspondence in opposition to including the Property in the application on the grounds that inclusion of the Property within the CC&N of AWC is premature at this time and, as such, is contrary to the public interest.

Cardon Hiatt intends to construct a residential development on the Property. However, that development is not imminent. Accordingly, there is currently no need for either water or sewer service on the Property and, therefore, no need to include the Property within the CC&N of AWC at this time.

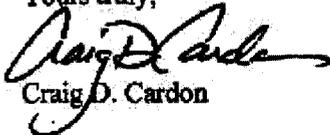
Moreover, Cardon Hiatt is exploring the possibility of providing water and sewer service to the Property itself at such time as the Property is developed. Clearly, fairness (and past practice in Arizona) dictates that, as owner of the Property, Cardon Hiatt be afforded every opportunity to provide such service should it so desire and should it have the technical and financial capability to do so. However, should the Property be included within the CC&N of AWC at this time, Cardon Hiatt will have been deprived of that opportunity simply because its development of the Property is not imminent. The public interest is not served by forcing Cardon Hiatt to accelerate its development plans in order to preserve its right to provide water and sewer service to the Property. Put another way, the public interest is best served by respecting the right of Cardon Hiatt, as owner of the Property, to have an opportunity to provide water and sewer service to the Property. Consequently, inclusion of the Property within the CC&N of AWC is premature as doing so would be in derogation of the public interest.

Further, even if Cardon Hiatt had no intention of seeking to provide water and sewer service to the Property, inclusion of the Property within the CC&N of AWC at this time would still be

premature. Any determination of what is most consistent with the public interest will be more soundly based on fact if made at such time as the plans for the development of the Property are made. That is, Cardon Hiatt should be afforded the opportunity to negotiate with every prospective provider of water and sewer service. Doing so serves the public interest because it would benefit all those who would be residing in the development. However, there would be little basis for such negotiation without a development plan in place. In addition, because development of the property is not imminent, the public interest is best served by scrutinizing the financial capabilities of AWC at such time as the property will be developed as their financial position may be different at that time.

Based on the foregoing, Cardon Hiatt respectfully requests that the Property not be included in the CC&N of AWC. Thank you in advance for your consideration in this matter.

Yours truly,



Craig D. Cardon

CDC:sac

# **ATTACHMENT B**

**CARDON HIATT COMPANIES**

**ORIGINAL  
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May 20, 2003

2005 MAY 23 A 8: 33

**VIA HAND DELIVERY AND**

**AZ CORP COMMISSION  
DOCUMENT CONTROL**

**FACSIMILE (602) 542-4230 and (602) 542-4870**

Arizona Corporation Commission  
**DOCKETED**

MAY 23 2005

Arizona Corporation Commission  
Hearings Division  
1200 West Washington Street  
Phoenix, Arizona 85007

DOCKETED BY	<i>KW</i>
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Re: **Woodruff Water Company:** Application for Extension of Certificate of Convenience and Necessity/Docket W-04264A-04-0438  
**Arizona Water Company:** Application for Extension of Certificate of Convenience and Necessity/Docket W-01445A-04-0755

*SW-04265A-04-0439*

Dear Commissioners:

The Cardon Hiatt Companies ("Cardon") own approximately 720 acres of real property located in Section(s) 19, Township 5 South, Range 8 East (the "Property"). The Property is not currently within an existing Certificate of Convenience and Necessity ("CC&N") for either water or sewer service. However, by the above referenced applications, both the Woodruff Water Company ("Woodruff") and the Arizona Water Company ("AWC") seek to include the Property within their respective CC&N. For the reasons more fully explained below, Cardon submits this correspondence in opposition to both applications on the grounds that inclusion of the Property within the CC&N of either Woodruff or AWC is premature at this time and, as such, is contrary to the public interest.

Cardon intends to construct a residential development on the Property. However, that development is not imminent. Accordingly, there is currently no need for either water or sewer service on the Property and, therefore, no need to include the Property within the CC&N of either Woodruff or AWC at this time.

Moreover, Cardon is exploring the possibility of providing water and sewer service to the Property itself at such time as the Property is developed. Clearly, fairness (and past practice in Arizona) dictates that, as owner of the Property, Cardon be afforded every opportunity to provide such service should it so desire and should it have the technical and financial capability to do so.

However, should the Property be included within the CC&N of either Woodruff or AWC at this time, Cardon will have been deprived of that opportunity simply because its development of the Property is not imminent. The public interest is not served by forcing Cardon to accelerate its development plans in order to preserve its right to provide water and sewer service to the Property. Put another way, the public interest is best served by respecting the right of Cardon, as

owner of the Property, to have an opportunity to provide water and sewer service to the Property. Consequently, inclusion of the Property within the CC&N of either Woodruff or AWC is premature as doing so would be in derogation of the public interest.

Further, even if Cardon had no intention of seeking to provide water and sewer service to the Property, inclusion of the Property within the CC&N of either Woodruff or AWC at this time would still be premature. Any determination of what is most consistent with the public interest will be more soundly based on fact if made at such time as the plans for the development of the Property are made. That is, Cardon should be afforded the opportunity to negotiate with every prospective provider of water and sewer service. Doing so serves the public interest because it would benefit all those who would be residing in the development. However, there would be little basis for such negotiation without a development plan in place. In addition, because development of the property is not imminent, the public interest is best served by scrutinizing the respective financial capabilities of Woodruff and AWC at such time as the property will be developed as their respective financial positions may be different at that time.

Based on the foregoing, Cardon respectfully requests that the Property not be included in the CC&N of either Woodruff or AWC. Thank you in advance for your consideration in this matter.

Yours truly,

  
Craig D. Cardon

CDC:sac