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**BEFORE THE ARIZONA CORPORATION COMMISSION**

**COMMISSIONERS**

GARY PIERCE, Chairman  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BOB STUMP  
BRENDA BURNS

IN THE MATTER OF THE APPLICATION  
OF ARIZONA-AMERICAN WATER  
COMPANY, AN ARIZONA  
CORPORATION, FOR A  
DETERMINATION OF THE CURRENT  
FAIR VALUE OF ITS UTILITY PLANT  
AND PROPERTY AND FOR INCREASES  
IN ITS RATES AND CHARGES BASED  
THEREON FOR UTILITY SERVICE BY  
ITS AGUA FRIA WATER DISTRICT,  
HAVASU WATER DISTRICT, AND  
MOHAVE WATER DISTRICT

Docket No. W-01303A-10-0448

**Notice of Filing DMB White Tank,  
LLC's Direct Testimony**

DMB White Tank, LLC through its undersigned counsel, hereby provides notice of filing  
the Direct Testimony of David Nilsen in the above-referenced matter.

DATED this 27th day of June 2011.

RYLEY CARLOCK & APPLEWHITE

Arizona Corporation Commission

**DOCKETED**

JUN 27 2011

DOCKETED BY

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1 ORIGINAL and 13 copies of the foregoing  
2 filed this 27th day of June, 2011, with:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 W. Washington  
6 Phoenix, Arizona 85007

7 COPY of the foregoing mailed this  
8 27th day of June 2011 to:

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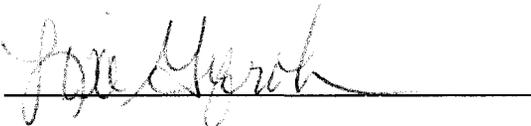
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By 

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 GARY PIERCE, Chairman  
4 SANDRA D. KENNEDY  
5 PAUL NEWMAN  
6 BOB STUMP  
7 BRENDA BURNS

Docket No. W-01303A-10-0448

7 IN THE MATTER OF THE APPLICATION  
8 OF ARIZONA-AMERICAN WATER  
9 COMPANY, AN ARIZONA  
10 CORPORATION, FOR A  
11 DETERMINATION OF THE CURRENT  
12 FAIR VALUE OF ITS UTILITY PLANT  
13 AND PROPERTY AND FOR INCREASES  
14 IN ITS RATES AND CHARGES BASED  
15 THEREON FOR UTILITY SERVICE BY  
16 ITS AGUA FRIA WATER DISTRICT,  
17 HAVASU WATER DISTRICT, AND  
18 MOHAVE WATER DISTRICT

19 **Direct Testimony**

20 **of**

21 **David Nilsen**

22 **on behalf of DMB White Tank, LLC**

23 **June 27, 2011**



1 **Q. Please state your name, position, business address, and telephone number.**

2 A. My name is David Nilsen. I am Director of Development for DMB Associates. I am  
3 responsible for development activities in the Verrado master planned community, and the  
4 operation of subsidiary entities relating to Verrado, including DMB White Tank, LLC  
5 (collectively "DMB"). My business address is 7600 E. Doubletree Ranch Road, Suite  
6 300, Scottsdale, Arizona 85258-2137. My telephone number is (480) 367-7000.

7 **Q. Have you previously testified before the Commission?**

8 A. No.

9 **Q. What is the purpose of your testimony?**

10 A. The purpose of my testimony is to describe DMB's interest as an Intervenor in this case.  
11 In particular, I am describing DMB's understandings regarding the water rates it pays in  
12 Arizona-American Water Company's Agua Fria Water District.

13 **Q. Please describe the business of DMB as it relates to this case.**

14 A. DMB is developing the Verrado master planned community, including contracting for  
15 construction of much of the major infrastructure. DMB is a customer of Arizona-  
16 American Water Company's Water District in that it purchases (1) non-potable water  
17 (Central Arizona Project water) that is wheeled through Maricopa Water District canals  
18 for use as construction water and as an additional irrigation supply for the Raven Golf  
19 Club at Verrado golf course during peak use months and (2) potable irrigation water used  
20 for landscaping within the common areas prior to turnover to the Verrado Community  
21 Association, or for construction purposes.

22 **Q. Does DMB have an opinion regarding the proposed effluent rate in this case?**

23 A. Yes. DMB currently purchases effluent generated by Arizona-American Water  
24 Company's Verrado wastewater treatment plant for use watering turf and landscaping  
25 within the Raven Golf Club at Verrado. In Arizona-American's recent Agua Fria  
26  
27  
28

1 Wastewater District rate case decision number 72047, the Commission approved a new  
2 rate for the effluent. Arizona-American Water Company's Application for the Water  
3 District in this case also includes a proposed effluent rate. Upon reviewing the original  
4 Application in this case, which was filed before Decision 72047 was issued, DMB White  
5 Tank, LLC's attorney conferred with Arizona-American Water Company regarding the  
6 proposed effluent rate in the Application. The Company said that it will be revising its  
7 Application in this case to remove the proposed effluent rate, so there is no need for me  
8 to comment further on the original proposal. We agree the effluent rate should remain in  
9 the Wastewater District's tariff only, and should remain at the amount fixed in Decision  
10 72047 for all the reasons cited in that case.

11 **Q. Does this conclude your testimony in this case?**

12 **A. Yes.**