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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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Arizona Corporation Commission

DOCKETED

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

AUG 9 2011

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WASTEWATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. SW-01428A-09-0103

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. W-01427A-09-0104

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR AUTHORITY (1) TO ISSUE EVIDENCE OF INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$1,755,000 IN CONNECTION WITH (A) THE CONSTRUCTION OF TWO RECHARGE WELL INFRASTRUCTURE IMPROVEMENTS AND (2) TO ENCUMBER ITS REAL PROPERTY AND PLANT AS SECURITY FOR SUCH INDEBTEDNESS.

DOCKET NO. W-01427A-09-0116

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR AUTHORITY (1) TO ISSUE EVIDENCE OF INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$1,170,000 IN CONNECTION WITH (A) THE ONSTRUCTION OF ONE 200 KW ROOF MOUNTED SOLAR GENERATOR INFRASTRUCTURE IMPROVEMENTS AND (2) TO ENCUMBER ITS REAL, PROPERTY AND PLANT AS SECURITY FOR SUCH INDEBTEDNESS.

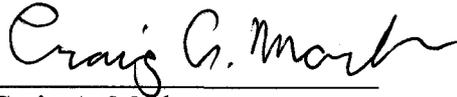
DOCKET NO. W-01427A-09-0120

NOTICE OF FILING

BRIEF OF WESTCOR/GLOBE

1 In accordance with the August 4, 2011, Procedural Order in this docket,
2 Westcor/Goodyear, L.L.C., and Globe Land Investors, L.L.C., hereby file their Brief in the
3 above-captioned case.

4 RESPECTFULLY SUBMITTED on August 9, 2011.

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18 **Original** and 13 copies **filed**
19 on August 9, 2011, with:

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21 Docket Control
22 Arizona Corporation Commission
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26 **Copy** of the foregoing **e-mailed**
27 on August 9, 2011, to:

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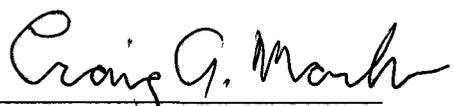
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2 on August 9, 2011, to:

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WASTEWATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

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DOCKET NO. W-01427A-09-0116

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR AUTHORITY (1) TO ISSUE EVIDENCE OF INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$1,170,000 IN CONNECTION WITH (A) THE ONSTRUCTION OF ONE 200 KW ROOF MOUNTED SOLAR GENERATOR INFRASTRUCTURE IMPROVEMENTS AND (2) TO ENCUMBER ITS REAL, PROPERTY AND PLANT AS SECURITY FOR SUCH INDEBTEDNESS.

DOCKET NO. W-01427A-09-0120

BRIEF OF WESTCOR/GLOBE

1 **I INTRODUCTION**

2 In this case, Litchfield Park Service Company ("LPSCO") proposes to implement a new
3 water facilities hook-up fee and a revised wastewater facilities hook-up fee. In accordance with
4 a number of agreements with LPSCO, Westcor/Goodyear, L.L.C., has already constructed
5 facilities and pre-paid water and wastewater capacity fees for existing and planned residential
6 and commercial construction known as Estrella Falls. LPSCO's proposed new water and revised
7 wastewater hook-up fees should not require Developers or their successors to pay LPSCO any
8 additional funds for development within the Estrella Falls Master Plan.

9 **II DISCUSSION¹**

10 The Estrella Falls Development is being developed by Westcor/Goodyear, L.L.C. and
11 Globe Land Investors, L.L.C. ("Developers"). Developers presented their case through the
12 testimony of Garrett Newland, Westcor's Vice President – Development. Estrella Falls is a 330-
13 acre master-planned, mixed-use, land development north of Interstate 10 between Pebble Creek
14 Parkway and Bullard Avenue in the City of Goodyear. Three hundred of the 330 acres are
15 located north of McDowell Road and within LPSCO's certificated water and wastewater service
16 area.

17 The residential portion of Estrella Falls is nearly complete. Globe Land Investors LLC
18 ("GLI") has sold all of the single family, court home and townhouse residential parcels in the
19 Estrella Fall master plan. Currently, GLI and Trammell Crow Residential are joint venturing a
20 multifamily site within the Estrella Fall master plan. This 328-unit project is complete and
21 leasing stands at 93% occupied. The only remaining residential site owned by GLI is another
22 multifamily parcel that is not yet under construction.

23 The commercial portion of Estrella Falls is being developed in phases. Phase I of Estrella
24 Falls is a portion of a 66-acre retail "power center" on the northeast corner of McDowell Road
25 and Pebble Creek Parkway (the "Power Center"). The Power Center will include major tenants,

¹ This section summarizes Mr. Newland's testimony.

1 shops and pad buildings, plus hotels. Phase II of the Estrella Falls project involves the remainder
2 of the Power Center, development of a regional center known as the Estrella Falls Mall on the
3 northwest corner of McDowell Road and Bullard Avenue, and additional commercial
4 development. Phase I of the Power Center opened in 2008 and tenants are entering leases.
5 Finally, Westcor expects to begin construction of the Estrella Falls Mall in 2013, with
6 completion expected in 2014/15.

7 In 2001, Developers and LPSCO entered into four master agreements concerning, among
8 other things, what off-site facilities LPSCO would need to construct to serve Estrella Falls and
9 the amount of funds that Developers would be required to advance or contribute for those off-site
10 facilities. Developers and LPSCO have also entered into numerous line extension agreements in
11 furtherance of the four master agreements.

12 Despite having executed the Commercial Wastewater Agreement, the parties could not
13 agree on the amount required to be paid for Phase II Capacity. The \$4,844,623 payment was
14 ultimately agreed to in a settlement agreement filed in Complaint Docket No. SW-01428A-08-
15 0234. Developers tendered this amount to LPSCO on November 3, 2008.

16 **III REQUESTED RELIEF**

17 Developers ask the Commission to honor the existing agreements between them and
18 LPSCO. Developers have constructed or funded almost all off-site facilities required for LPSCO
19 to provide water and wastewater service to the Estrella Falls Development. LPSCO's proposed
20 new water and revised wastewater hook-up fees should not require Developers or their
21 successors to pay LPSCO any additional funds for development within the Estrella Falls Master
22 Plan.

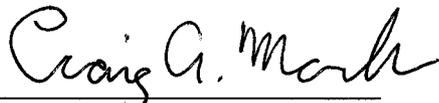
23 LPSCO "agree[s] with Mr. Newland that the Estrella Falls project should not be subject
24 to the HUF, if it is approved."² No party objects to Developers' request. Certainly, it would be
25 inequitable for Developers to have to pay a hook-up fee for facilities already paid for through

² Rebuttal Testimony of Greg Sorenson, dated June 17, 2011, at 2:9-10.

1 contributions and advances. Therefore, Developers ask that the Commission include an ordering
2 paragraph in its Decision in this case to the effect that:

3 Westcor/Goodyear LLC has already advanced LPSCO all funds required for
4 LPSCO's off-site water and wastewater facilities to serve Estrella Falls.
5 Therefore, for Estrella Falls, Westcor/Goodyear LLC will not be required to pay
6 the water or wastewater hook-up fees approved in this Decision.

7 RESPECTFULLY SUBMITTED on August 9, 2011.

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