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BEFORE THE ARIZONA CORPORATION COMMISSION

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2014 SEP 18 P 3:47

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

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SEP 18 2014

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IN THE MATTER OF THE APPLICATION OF  
GREEN ACRES WATER COMPANY FOR  
APPROVAL OF AN EMERGENCY RATE  
INCREASE.

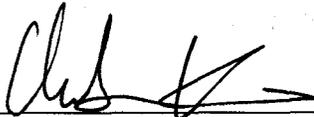
DOCKET NO. W-02271A-14-0265

STAFF NOTICE OF FILING

ORIGINAL

At the evidentiary hearing held on September 15, 2014 in the above captioned matter, Staff referred to a letter that was sent from the Arizona Corporation Commission's ("Commission") Legal Division to Mr. Swenson, the last owner reflected in the Commission's records, regarding the ongoing disputed ownership of certain facilities that are alleged to be part of the Company's drinking water system. Staff hereby provides notice of filing the attached letter that was sent on July 10, 2014. To date, Staff has received no response to this letter.

RESPECTFULLY SUBMITTED this 18<sup>th</sup> day of September, 2014.

  
Charles H. Hains  
Attorney, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007  
(602) 542-3402

Original and thirteen (13) copies of  
the foregoing filed this 18<sup>th</sup> day of  
September, 2014, with:

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

1 Copy of the foregoing mailed this  
2 18<sup>th</sup> day of September,  
2014, to:

3 Nancy Miller, Interim Manager  
4 GREEN ACRES WATER COMPANY  
4743 East 30<sup>th</sup> Place  
5 Yuma, Arizona 85365

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7 Roseann Asorio

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**COMMISSIONERS**  
BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH



JODI JERICH  
Executive Director

**ARIZONA CORPORATION COMMISSION**

July 10, 2014

Mr. Melvin Swenson  
2891 West Patricia Lane  
Yuma, Arizona 85364

RE: Green Acres Water Company

Dear Mr. Swenson,

This letter is with regard to the Green Acres Water Company ("Green Acres"), a water utility that serves approximately 52 customers in Yuma County. Pursuant to Arizona Corporation Commission ("Commission") Decision No. 46192, the Commission awarded you and Eugene Swenson, as co-partners dba Green Acres, a Certificate of Convenience and Necessity ("CC&N") to provide water utility service. Owing to failure to file A.R.S. § 40-241 utility annual reports, Green Acres' CC&N was terminated on April 7, 2011 by Commission Decision No. 72239. Notwithstanding the loss of the CC&N, however, a water provider, such as Green Acres, remains a public service corporation under the constitutional definition set out at Ariz. Const. Art. XV Sect. 2 regardless of whether it holds a CC&N, as noted by the Court in *Tonto Creek Estates Homeowners Assoc. v. Arizona Corporation Commission*, 177 Ariz. 49, 864 P.2d 1081 (App. 1993).

In May of 2013, the Commission became aware of serious operational issues affecting Green Acres. For the most part, these issues related to complying with Arizona Department of Environmental Quality ("ADEQ") health and safety requirements. At the time, Mr. Todd Brandenburger held himself out as the owner of the assets of Green Acres. Due to the serious nature of the health and safety concerns, the Commission authorized an interim manager to operate Green Acres to ensure the continuous delivery of adequate water service in Decision No. 73931.

In the course of Commission Utilities Division Staff's ("Staff") interactions with the interim manager, Nancy Miller of Sunstate Environmental Utilities, Staff has further investigated its records and found no order of the Commission authorizing the sale of Green Acres' water utility assets to Mr. Brandenburger. Per A.R.S. § 40-285, the assets of a public service corporation that are necessary to the provision of utility service cannot be sold without the approval of the Commission. Transactions that do not comply with A.R.S. § 40-285 are void.

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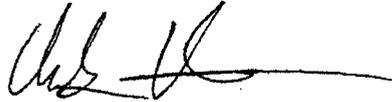
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Mr. Swenson  
July 9, 2014  
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Since Staff is unaware of any Commission decision authorizing you to transfer the assets of Green Acres, Staff presently believes that you remain the owner of Green Acres. Further, Staff would like to visit with you concerning the significant issues facing Green Acres and the impact it is having on service to the customers. Staff would remind you as discussed above that a Commission order has been issued appointing an interim manager. As that order specifies, you are ordered to cooperate and assist the interim manager in all respects in order to ensure the continued delivery of adequate water service to the customers of Green Acres.

For your convenience, copies of Decisions No. 46192, 72239 and 73931 are attached. Please call me at (602) 542-3402 or Vicki Wallace at (602) 542-0818 to discuss this letter, your legal obligations and future plans for Green Acres.

Sincerely,



Charles H. Hains  
Attorney, Legal Division  
Arizona Corporation Commission

CHH:rbo  
Enclosures

cc w/o enclosures:

Jodi Jerich, Executive Director, Arizona Corporation Commission  
Steve Olea, Director, Utilities Division  
Janice Alward, Chief Counsel  
Russell McCloud, Yuma County Supervisor