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ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES
Commissioner

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November 7, 2008

Re: Northern Sunrise Water Company's and Southern Sunrise Water Company's proposed CC&N extension, Docket No: W-20453A-06-0247 Et Al; Need for a well impact analysis; Babocomari River impacts; Arizona Department of Water Resources documentation requirement.

Dear Parties to the Docket:

As you know, on June 23, 2008 the Commission held a town hall in Sierra Vista to take public comment on Southern Sunrise Water Company and Northern Sunrise Company's proposed CC&N expansions in Cochise County. Numerous residents – many of whom own their own wells or share in private wells – expressed concern regarding the potential for an enlarged Northern and Southern Sunrise service territory to draw down or de-water private wells.

First, I write to request that the Parties provide the Commission, as part of their testimony in this case, a well impact analysis addressing the predicted or potential impacts of Northern Sunrise's and Southern Sunrise's proposed expansion. I am concerned regarding the effect that deep, industrial-strength wells, such as the proposed Babocomari 600 gallon-per-minute well,[1] could have on private wells both inside and outside of these service territories. In addition to a well impact analysis, I would like the Parties to identify any remedial measures or other provisions that could be proposed or considered to address this issue.

Secondly, in the July 7, 2008 Public Comment hearing in Tucson, there were repeated expressions of concern over potential environmental impacts to the San Pedro River riparian system from the proposed CC&N extension. I would like the Parties to address the impact of commercial well activities on the Babocomari River.

Additionally, the Parties should address the need for documentation from the Arizona Department of Water Resources ("ADWR") identifying adequate water supplies for a CC&N area. In its Memorandum dated June 27, 2008, Staff recommended that the Companies be put on notice that any <u>future</u> CC&N extension Applications by these Companies be deemed insufficient absent ADWR documentation. I believe it is important for this Commission to address these water sufficiency issues in the course of this case, not just in future proposals. As part of their testimony in this case, I would like the Parties to address how this documentation can be incorporated into the current case, so that the Commission will have the fullest possible record upon which to make a decision.

[1] See Staff Report for the Application of Northern Sunrise Water Company and Southern Sunrise Water Company for an Extension of their Certificates of Convenience and Necessity, June 27, 2008, page 7.

Finally, it seems likely that testimony by the ADWR will be necessary to fully address these water adequacy issues. Therefore, I would like Staff to contact ADWR to request that they make a witness available for examination in this case.

Thank you for your consideration of these matters.

Sincerely,

Kris Mayes
Commissioner

Cc: Chairman Mike Gleason
Commissioner William A. Mundell
Commissioner Jeff Hatch-Miller
Commissioner Gary Pierce
Ernest Johnson
Janice Alward
Lyn Farmer
Brian McNeil
Rebecca Wilder