

RENZ D. JENNINGS
CHAIRMAN

MARCIA WEEKS
COMMISSIONER

ERL J. KUNASEK
COMMISSIONER



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ARIZONA CORPORATION COMMISSION

DATE: OCTOBER 19, 1995

DOCKET NO: U-2467-94-392

TO ALL PARTIES:

Enclosed please find the recommendation of Hearing Officer Scott S. Wakefield. The recommendation has been filed in the form of an Opinion and Order on:

GRANITE MOUNTAIN WATER COMPANY, INC. (CC&N EXTENSION)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Hearing Officer by filing an original and ten (10) copies of the exceptions with the Commission's Docket Control at the address listed below by 5:00 p.m. on or before:

OCTOBER 30, 1995

The enclosed is NOT an order of the Commission, but a recommendation of the Hearing Officer to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Working Session and Open Meeting to be held on:

OCTOBER 31, 1995 and NOVEMBER 1, 1995

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250.


James Matthews
EXECUTIVE SECRETARY

JM
Enc.

cc: ALL PARTIES

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 RENZ D. JENNINGS
CHAIRMAN
3 MARCIA WEEKS
COMMISSIONER
4 CARL J. KUNASEK
COMMISSIONER
5

6 IN THE MATTER OF THE APPLICATION OF)
7 GRANITE MOUNTAIN WATER COMPANY,)
8 INC., FOR AN EXTENSION OF ITS)
CERTIFICATE OF CONVENIENCE AND)
NECESSITY.)

DOCKET NO. U-2467-94-392
DECISION NO. _____

OPINION AND ORDER

9 DATE OF HEARING: October 17, 1995
10 PLACE OF HEARING: Phoenix, Arizona
11 PRESIDING OFFICER: Scott S. Wakefield
12 APPEARANCES: Paul D. Levie, Esq. on behalf of Granite Mountain Water
13 Company, Inc.
14 Ms. Karen E. Nally, Staff Attorney, Legal Division, on
15 behalf of the Utilities Division of the Arizona Corporation
Commission.

16 **BY THE COMMISSION:**

17 On November 14, 1994, Granite Mountain Water Company, Inc. ("Granite Mountain" or
18 "Applicant") filed with the Arizona Corporation Commission ("Commission") an application for an
19 extension of its Certificate of Convenience and Necessity ("CC&N" or "Certificate") to provide water
20 utility service in Yavapai County, Arizona.

21 On August 25, 1995, the Commission's Utilities Division ("Staff") filed its Staff Report.

22 On September 6, 1995, the Commission issued a Procedural Order setting the hearing. On
23 October 17, 1995, a full public hearing was held before a duly authorized Hearing Officer of the
24 Commission at its offices in Phoenix, Arizona. Applicant and Staff appeared with counsel and presented
25 evidence. At the conclusion of the hearing, the matter was taken under advisement pending submission
26 of a Recommended Opinion and Order to the Commission.

27 * * * * *

1 Having considered the entire record herein and being fully advised in the premises, the
2 Commission finds, concludes, and orders that:

3 **FINDINGS OF FACT**

4 1. Granite Mountain is an Arizona corporation engaged in providing water utility service to
5 approximately 28 customers near Prescott, Yavapai County, Arizona.

6 2. Approximately six of Granite Mountain's current customers are outside the boundaries
7 of its current Certificate. Of those six customers, three customers' properties are contiguous to
8 Applicant's existing certificated area and are served by line extensions from a main serving other
9 customers which are within Applicant's certificated area. The remaining three customers are non-
10 contiguous and are served by a main extension from Applicant's storage facility.

11 3. The three customers who are served by the main extension from the storage facility have
12 previously advanced a total of \$19,650 to Granite Mountain to fund the construction of the main
13 extension which provides them service. The main could serve up to nine additional customers.

14 4. On November 14, 1994, Granite Mountain filed with the Commission an application for
15 an extension of its existing CC&N to include approximately 125 acres (the "extension area") which is
16 more fully described in Exhibit A which is attached hereto and incorporated herein by reference. The
17 extension area includes the six customers to which Granite Mountain already provides service, in addition
18 to other parcels previously developed or currently owned by affiliates of Granite Mountain.

19 5. On July 28, 1995, Applicant filed with the Commission a main extension agreement
20 regarding the main referred to above, for approval by the Commission. The main extension agreement
21 provides that any future customers to be served by the existing main pay 1/12th of the total cost of the
22 main as a refundable advance in aid of construction. Any such payments received by Granite Mountain
23 from future customers over the next 10 years will be refunded in equal portions to the three existing
24 customers who originally advanced the \$19,650 to construct the main. In addition, all customers served
25 by the main will receive annual refunds of 10 percent of the total gross revenue from their respective
26 service for each of the 10 years from the time they make payment for their proportionate cost of the main.

27 6. On August 25, 1995, Staff filed its Staff Report, which recommended approval of the
28 application and approval of the main extension agreement.

1 days from the effective date of this Decision, a copy of Granite Mountain Water Company, Inc.'s Arizona
2 Department of Environmental Quality Approval to Construct the extension to its system.

3 IT IS FURTHER ORDERED that in the event Granite Mountain Water Company, Inc. does not
4 timely file the document required by the preceding ordering paragraph, its application for an extension
5 of its Certificate of Convenience and Necessity shall be deemed denied, without further order by the
6 Arizona Corporation Commission.

7 IT IS FURTHER ORDERED that Granite Mountain Water Company, Inc. shall charge its
8 existing rates and charges in the extension area until further order of the Commission.

9 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

10 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

11
12 CHAIRMAN

COMMISSIONER

COMMISSIONER

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14 IN WITNESS WHEREOF, I, JAMES MATTHEWS, Executive Secretary of the
15 Arizona Corporation Commission, have hereunto set my hand and caused the
16 official seal of the Commission to be affixed at the Capitol, in the City of
17 Phoenix, this _____ day of _____, 1995.

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19 _____
20 JAMES MATTHEWS
21 EXECUTIVE SECRETARY

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19 DISSENT _____
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SERVICE LIST FOR:

GRANITE MOUNTAIN WATER COMPANY,
INC.

DOCKET NO.:

U-2467-94-392

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EXHIBIT A

BOUNDARY DESCRIPTION

GRANITE MOUNTAIN WATER COMPANY

DOCKET NUMBER U-2467-94-392

All that portion of Section 31 and Section 30, Township 15 North, Range 2 West, Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described as follows:

BEGINNING at the Southwest corner of said Section 31;

THENCE, North $01^{\circ}16'44''$ West, a distance of 2649.53 feet;

THENCE, North $01^{\circ}13'18''$ West, a distance of 595.42 feet; which is the Northwest corner of Granite Mountain Water Company's current certificated area;

THENCE, North $01^{\circ}13'25''$ West, a distance of 2046.57 feet;

THENCE, East, a distance of 2522.72 feet;

THENCE, North, a distance of 163.14 feet;

THENCE, North $00^{\circ}27'00''$ West, a distance of 238.85 feet;

THENCE, North $38^{\circ}24'00''$ West, a distance of 6.16 feet, to a non-tangent curve with a radius of 11509.55 feet having a radial bearing of $N51^{\circ}21'06''E$ concave to the right;

THENCE, Northwesterly, along said curve a distance of 711.86 feet;

THENCE, North $55^{\circ}08'00''$ East, along the radial bearing of said curve a distance of 100.00 feet;

THENCE, North $37^{\circ}49'11''$ East, a distance of 748.56 feet;

THENCE, North $00^{\circ}21'30''$ West, a distance of 136.90 feet;

THENCE, North $89^{\circ}33'00''$ East, a distance of 83.21 feet;

THENCE, South $31^{\circ}45'00''$ East, a distance of 746.54 feet;

THENCE, South $71^{\circ}35'16''$ West, a distance of 423.87 feet;

THENCE, South 15°52'55" West, a distance of 348.76 feet;
THENCE, South 16°58'17" West, a distance of 158.75 feet, said point being on a non-tangent curve with a radius of 11409.55 feet having a radial bearing of North 51°50'22" East, concave to the left;

THENCE, Southeasterly, along said curve a distance of 49.82 feet;

THENCE, South 38°24'00" East, a distance of 601.17 feet, to a tangent curve with a radius of 5679.58 feet concave to the right;

THENCE, Southeasterly, along said curve a distance of 406.42 feet;

THENCE, South 34°18'00" East, a distance of 376.22 feet;

THENCE, South 38°24'00" East, a distance of 1916.54 feet;

THENCE, South 55°42'00" West, a distance of 100.00 feet;

THENCE, South 55°42'00" West, a distance of 1468.90 feet;

THENCE, South 34°18'00" East, a distance of 630.56 feet;

THENCE, South 59°42'30" West, a distance of 368.56 feet;

THENCE, South 13°20'18" West, a distance of 69.91 feet;

THENCE, South 42°03'54" West, a distance of 458.44 feet;

THENCE, South 29°52'00" East, a distance of 248.38 feet;

THENCE, South 65°42'00" West, a distance of 321.40 feet;

THENCE, South 04°30'00" East, a distance of 314.87 feet;

THENCE, North 83°34'00" West, a distance of 25.80 feet;

THENCE, South 06°26'00" West, a distance of 50.00 feet;

THENCE, South 03°21'30" East, a distance of 422.21 feet;

THENCE, South 89°38'45" West, a distance of 117.41 feet;

THENCE, North 00°28'22" West, a distance of 44.37 feet;

THENCE, North 05° 57' 34" West, a distance of 1102.10 feet;
THENCE, North 34° 19' 30" West, a distance of 342.78 feet;
THENCE, North 55° 40' 30" East, a distance of 341.09 feet;
THENCE, North 34° 19' 30" West, a distance of 171.43 feet;
THENCE, North 34° 20' 30" West, a distance of 882.49 feet;
THENCE, North 35° 20' 55" East, a distance of 748.08 feet;
THENCE, North 34° 18' 00" West, a distance of 847.14 feet;
THENCE, North 04° 22' 30" West, a distance of 370.21 feet;
THENCE, South 87° 07' 47" West, a distance of 279.61 feet;
THENCE, North 04° 32' 55" West, a distance of 251.12 feet;
THENCE, South 87° 07' 47" West, a distance of 738.31 feet;
THENCE, South 38° 19' 30" West, a distance of 286.20 feet;
THENCE, South 31° 30' 00" West, a distance of 399.60 feet;
THENCE, South 35° 29' 30" West, a distance of 309.10 feet;
THENCE, South 52° 39' 45" West, a distance of 527.50 feet, said point being the Northwest corner of Granite Mountain Water Company's current certificated area.