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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MARC SPITZER, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

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AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission

DOCKETED

OCT 18 2004

DOCKETED BY	<i>CM</i>
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DOCKET NO. W-02015A-03-0724

IN THE MATTER OF THE APPLICATION OF
BEAVER VALLEY WATER COMPANY FOR
APPROVAL OF THE SALE OF ITS ASSETS AND
FOR THE TRANSFER OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY.

PROCEDURAL ORDER

BY THE COMMISSION:

On October 1, 2003, Beaver Valley Water Company ("BVWC" or "Applicant"), filed with the Arizona Corporation Commission ("Commission") an application for approval of the sale of its assets and the transfer of its Certificate of Convenience and Necessity ("Certificate"). The application was filed because the system is being purchased by Michael Davoren of Payson, Arizona.

On October 15, 2003, the Commission's Utilities Division Staff ("Staff") filed a letter, which indicated that BVWC's application had not meet the sufficiency requirements as outlined in the Arizona Administrative Code and listed those outstanding items to be provided by BVWC.

On December 5, 2003, BVWC filed a letter requesting approval of the transfer of BVWC's stock to Michael Davoren.

By Procedural Order dated June 3, 2004, Staff was ordered to file a Status Report on or before June 17, 2004 setting forth its recommendation with regard to the action to be taken on BVWC's application. Additionally, BVWC was ordered to file a response to Staff's Status Report on or before July 1, 2004.

On June 22, 2004, Staff filed a Status Report, which indicated that BVWC failed to demonstrate that it is in compliance with Arizona Department of Environmental Quality ("ADEQ") requirements and that such failure precludes Staff from recommending approval of BVWC's application.

Additionally, Staff indicated that BVWC was requested to file evidence of (1) ADEQ compliance; (2) the purchaser's ability to operate the system; and (3) its legal status at the time of the

1 sale and the sales contract on or before July 30, 2004. Staff further indicated that it will seek
2 administrative closure of this docket should BVWC fail to provide the requested information by the
3 set deadline.

4 BVWC did not file a response to Staff's Status Report as set forth in the June 3, 2004
5 Procedural Order, and to date, there is no indication that any of the information requested by Staff has
6 been filed with the Commission.

7 A second Procedural Order was issued on August 17, 2004 ordering Staff to file a second
8 Status Report on or before August 31, 2004, which sets forth its recommendation with regard to the
9 action to be taken on BVWC's application.

10 On August 23, 2004, Staff filed a Motion to Close Docket/Status Report ("Motion"), which
11 indicated that Staff had contacted both Mr. Ward and Mr. Davoren with regard to providing the
12 necessary information but had received documentation from neither party. Additionally, Staff
13 indicated that based upon compliance monitoring deficiencies noted in the July 29, 2004 ADEQ
14 Drinking Water Compliance Report, ADEQ remains unable to determine if BVWC is currently
15 delivering water that meets ADEQ standards.

16 Staff's Motion recommends closure of this docket without prejudice based upon the above
17 information and BVWC's failure to comply with Commission Orders and Staff's data requests.

18 No objections to Staff's Motion were filed.

19 By Procedural Order dated September 7, 2004, Staff was ordered to investigate BVWC's
20 current operations, including but not limited to, ADEQ compliance, ownership status, and operational
21 status and submit its findings with regard to BVWC's current operations, and its recommendations in
22 accordance therewith, on or before October 11, 2004.

23 Additionally, Staff was ordered to seek an Order to Show Cause if BVWC fails to cooperate
24 with its investigation or if Staff determines that BVWC is not in compliance with all applicable state
25 regulatory requirements.

26 On October 14, 2004, Staff filed a Notice of Submitting ADEQ Water Compliance Status
27 Report and Request for Additional Time to Submit Supplemental Filings. By its filing, Staff
28 provided ADEQ documentation indicating that BVWC is operating without major deficiencies and is

1 currently providing water that meets water quality standards. Staff further indicated that it requires
2 an additional 30 days to compile and submit the remaining information in conjunction with its
3 updated recommendations.

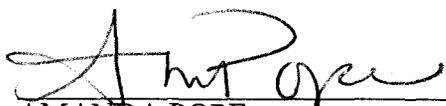
4 Staff's request is reasonable and should be granted.

5 IT IS THEREFORE ORDERED that Staff shall submit its findings with regard to BVWC's
6 current operations, and its recommendations in accordance therewith, on or before November 15,
7 2004.

8 IT IS FURTHER ORDERED that Staff shall seek an Order to Show Cause if after reviewing
9 the status of BVWC's operations and compliance with applicable state regulatory requirements, Staff
10 deems such an action to be appropriate.

11 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend or waive
12 any portion of this Procedural Order by subsequent Procedural Order or by ruling at hearing.

13 DATED this 10th day of October, 2004.

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16 
17 AMANDA POPE
18 ADMINISTRATIVE LAW JUDGE

19 Copies of the foregoing mailed/delivered
20 this 10 day of October, 2004 to:

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22 Delaney & Melkonoff, P.C.
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By: 
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Secretary to Amanda Pope