



0000023881

**ORIGINAL**

MEMORANDUM

30

TO: Docket Control

FROM: Ernest G. Johnson  
Director  
Utilities Division

Date: August 26, 2005

RE: STAFF REPORT FOR BELLA VISTA RANCHES – APPLICATION FOR THE CANCELLATION OF CERTIFICATE OF CONVENIENCE AND NECESSITY ISSUED TO BELLA VISTA RANCHES, INC. OF ARIZONA DBA BELLA VISTA SEWER COMPANY TO PROVIDE WASTEWATER SERVICE (DOCKET NO. SW-02454A-05-0366)

Attached is the Staff Report for Bella Vista Ranches' application for the cancellation of the Certificate of Convenience and Necessity issued to Bella Vista Sewer Company to provide wastewater Service in portions of Cochise County, Arizona. Staff is recommending approval.

EGJ:BNC:red

Originator: Blessing Chukwu

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Service List for: Bella Vista Sewer Company  
Docket No. SW-02454A-05-0366

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Chief, Legal Division  
Arizona Corporation Commission  
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Phoenix, Arizona 85007

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Director, Company Division  
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STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION

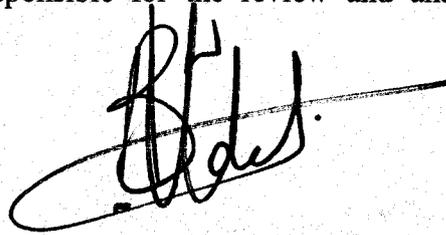
BELLA VISTA RANCHES, INC. OF ARIZONA  
DBA BELLA VISTA SEWER COMPANY  
SW-02454A-05-0366

APPLICATION FOR THE CANCELLATION OF THE  
CERTIFICATE OF CONVENIENCE AND NECESSITY  
TO PROVIDE WASTEWATER SERVICE

AUGUST 26, 2005

## STAFF ACKNOWLEDGMENT

The Staff Report for Bella Vista Ranches, Inc. of Arizona dba Bella Vista Sewer Company (Docket No. SW-02454A-05-0366) was the responsibility of the Staff member signed below. Blessing Chukwu was responsible for the review and analysis of the Company's application.

A handwritten signature in black ink, appearing to read 'Blessing Chukwu', with a long horizontal stroke extending to the right.

Blessing Chukwu  
Executive Consultant III

**EXECUTIVE SUMMARY**  
**BELLA VISTA RANCHES, INC. OF ARIZONA**  
**DBA BELLA VISTA SEWER COMPANY**  
**DOCKET NO. SW-02454A-05-0366**

On May 19, 2005, Bella Vista Ranches, Limited Liability Limited Partnership ("BVR" or "Applicant") filed an application with the Arizona Corporation Commission ("ACC" or "Commission") to cancel the Certificate of Convenience and Necessity ("CC&N") granted to Bella Vista Ranches, Inc. of Arizona (aka Bella Vista Ranches, Inc.) dba Bella Vista Sewer Company ("BVSC", "Bella Vista" or "the Company") to provide wastewater Service in portions of Cochise County, Arizona. On June 16, 2005, Staff filed a Sufficiency Letter indicating that the application had met the sufficiency requirements of A.A.C. R14-2-610 (C).

Bella Vista Sewer Company is authorized to provide wastewater service in portions of Cochise County, Arizona, by Decision No. 54599 (July 19, 1985). The Company was incorporated as an Arizona corporation on or about October 8, 1975, and was dissolved on or about October 18, 1988. Bella Vista Sewer Company has no customers and no wastewater plant.

By this application, BVR, a separate entity that shares common partners with BVSC, is requesting that the Commission issue an Order canceling the CC&N issued to Bella Vista Sewer Company pursuant to Decision No. 54599. Bella Vista's CC&N was secured twenty (20) years ago to serve a residential development planned by Western Land Development, a division of US Homes Corporation. The planned residential development never materialized.

Based on Staff's review and analysis of the application, Staff believes that the approval of the Application would be in the public interest. The approval would release the land within BVSC certificated area and make it available to prospective sewage providers thereby fostering future development of the lands. Staff also believes that the denial of the Application, on the other hand, would hinder future development of the lands within the BVSC certificated area.

The Arizona Department of Environmental Quality and the Arizona Department of Real Estate have no objection to the relief requested by BVR being granted.

Staff recommends the Commission approve BVR's application to cancel the Certificate of Convenience and Necessity to provide wastewater Service granted to Bella Vista Sewer Company without a hearing, for the above mentioned reasons.

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## **Introduction**

On May 19, 2005, Bella Vista Ranches, Limited Liability Limited Partnership (“BVR” or “Applicant”) filed an application with the Arizona Corporation Commission (“ACC” or “Commission”) to cancel the Certificate of Convenience and Necessity (“CC&N”) granted to Bella Vista Ranches, Inc. of Arizona (aka Bella Vista Ranches, Inc.) dba Bella Vista Sewer Company (“BVSC”, “Bella Vista” or “the Company”) to provide wastewater Service in portions of Cochise County, Arizona.

On June 16, 2005, Staff filed a Sufficiency Letter indicating that the application had met the sufficiency requirements of A.A.C. R14-2-610 (C).

## **Background**

Bella Vista Sewer Company is authorized “to construct, maintain and operate a sewer system” in portions of Cochise County, Arizona, by Decision No. 54599, issued on July 19, 1985, in Docket No. U-2454-85-004. The Company is certificated to provide wastewater service in approximately 3,000 acres.

The Company was incorporated as an Arizona corporation on or about October 8, 1975, and was dissolved on or about October 18, 1988.<sup>1</sup> According to the Application, three (3) of the five (5) directors and four (4) officers of Bella Vista Sewer Company are deceased. The two living directors and some of the previous shareholders of Bella Vista Sewer Company are partners of BVR, a separate entity and an Arizona Limited Liability Limited Partnership. BVR filed the instant Application, as “[n]o single previous shareholder or group of previous shareholders has been identified that have the apparent authority to act on behalf of the dissolved corporation”.<sup>2</sup>

## **Proposed Cancellation**

Bella Vista Sewer Company’s CC&N encompasses all or portions of Sections 20, 21, 27-30 located in Township 21 South of Range 21 East, Cochise County, Arizona. According to the Application, BVR, the Applicant or its affiliate owns the land encompassed by BVSC’s CC&N.

By this application, BVR is requesting that the Commission issue an Order canceling the CC&N issued to Bella Vista Sewer Company pursuant to Decision No. 54599. Bella Vista’s CC&N was secured twenty (20) years ago to serve a residential development planned by Western Land Development, a division of US Homes Corporation. The planned residential development never materialized.

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<sup>1</sup> According to the Application and verified by the Corporations Division of the Commission on August 16, 2005.

<sup>2</sup> See Application, page 2.

A review of the information reported in the Company's Annual Reports (for the periods 1996 thru 2002) filed with the Utilities Division indicates that Bella Vista Sewer Company is a dissolved corporation and has no customers and no wastewater plant or facilities. The closest provider of sewer service to BVSC's CC&N area is the City of Sierra Vista, which provides wastewater service in the Southwest Quarter of Section 30 in Township 21 South of Range 21 East. Bella Vista Water Company, Inc., a separate entity, provides water service in BVSC's certificated area and in all or portions of Sections 15, 22, 29, 30-32 located in Township 21 South of Range 21 East. (See Attachment A) According to the Application, Bella Vista Water Company, Inc. recently declined an invitation to assume BVSC's CC&N.

Staff received e-mails from the Arizona Department of Environmental Quality ("ADEQ") and the Arizona Department of Real Estate ("ADRE") indicating that the agencies have no objection to the relief requested by BVR being granted. (See Attachment B and C)

Staff believes that the approval of the Application would be in the public interest. The approval would release the land within BVSC certificated area and make it available to prospective sewage providers thereby fostering future development of the lands. Staff also believes that the denial of the Application, on the other hand, would hinder future development of the lands within the BVSC certificated area.

### **ACC Compliance**

According to the Utilities Division Compliance Section, BVSC has no outstanding compliance issues.

### **Hearing**

On June 29, 2005, Staff was directed by Procedural Order to file the instant Staff Report indicating whether Staff believes a hearing is necessary in this matter.

Staff does not believe a hearing is necessary in this matter for the following reasons:

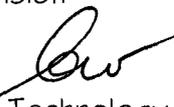
1. Twenty (20) years has elapsed since BVSC was granted a CC&N and it still has no customers and no plant;
2. The two remaining owners have not requested a hearing;
3. Public Notice will be provided by BVR pursuant to the procedural order;
4. This matter will go to Open Meeting for deliberation; and
5. The Arizona Administrative Code does not require a hearing in this situation.

**Recommendations**

Staff recommends the Commission approve BVR's application to cancel the Certificate of Convenience and Necessity to provide wastewater Service granted to Bella Vista Sewer Company without a hearing, for the above mentioned reasons.

# MEMORANDUM

TO: Blessing Chukwu  
Executive Consultant III  
Utilities Division

FROM: Barb Wells   
Information Technology Specialist  
Utilities Division

THRU: Del Smith   
Engineering Supervisor  
Utilities Division

DATE: June 21, 2005

RE: **BELLA VISTA SEWER COMPANY (DOCKET NO. SW-02454A-05-0366)**

Bella Vista has filed an application to cancel their CC#N.

Attached is a copy of the map for your files.

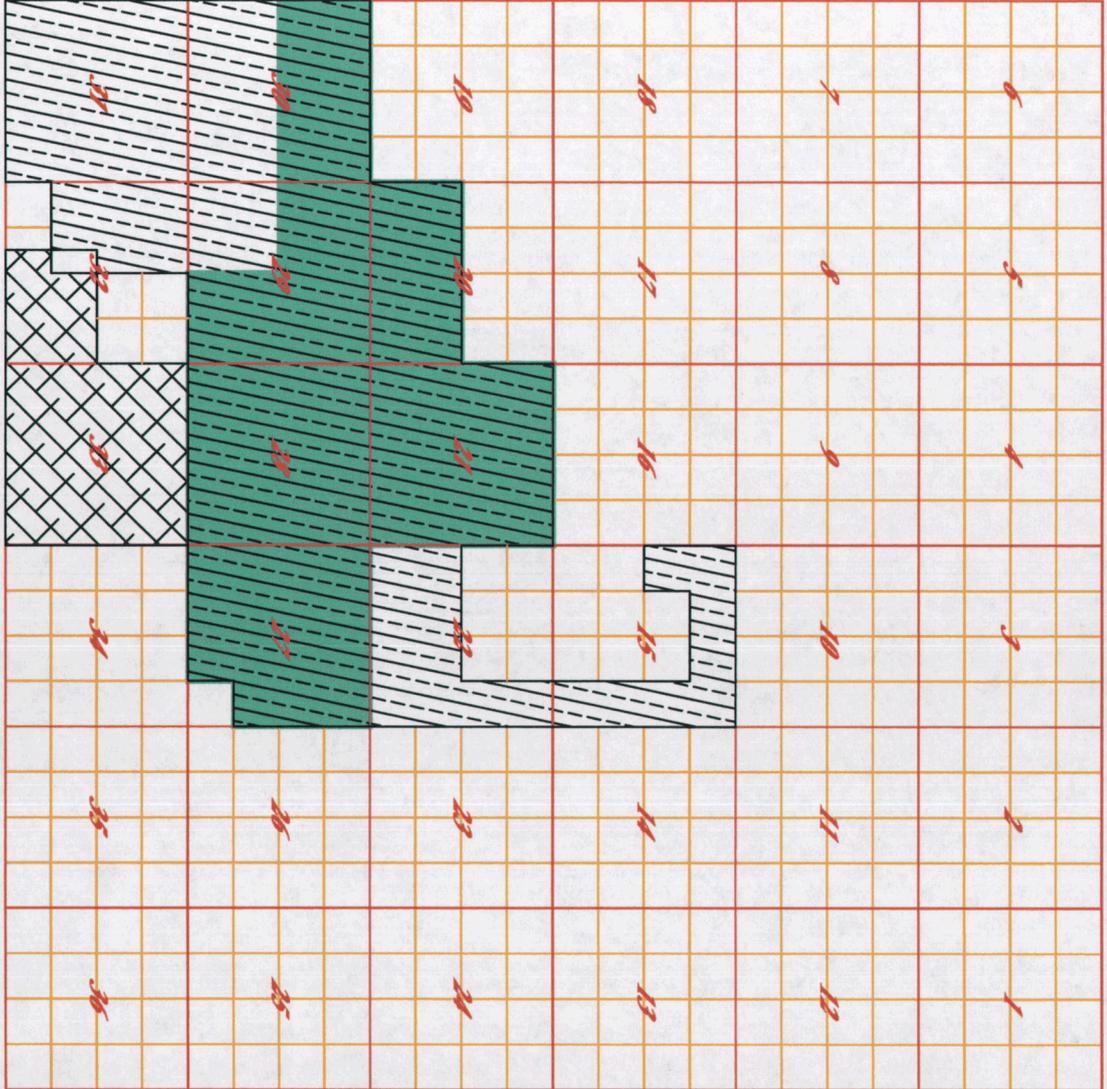
:bsw

Attachments

cc: Docket Control  
Mr. William P. Sullivan  
Ms. Deb Person (Hand Carried)  
File

**COCHISE COUNTY** *Cochise*

**RANGE 21 East**



**TOWNSHIP 21 South**

 W-1445 (3)

Arizona Water Company (Sierra Vista)

 W-2465 (6)

Bella Vista Water Company, Inc.

 Sewer SW-2454 (1)

Bella Vista Sewer Company



Bella Vista Sewer Company  
 Docket No. SW-02454A-05-0366  
 Application to Cancel CC&N

**Blessing Chukwu**

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**From:** Mike Traubert [Traubert.Mike@azdeq.gov]  
**Sent:** Tuesday, August 02, 2005 3:00 PM  
**To:** Blessing Chukwu  
**Subject:** Application for cancellation of certificate of convenience and necessity Docket SW-02454A-05-0366

Dear Ms Chukwu,

I have reviewed the material you provided. ADEQ has no objections to ACC processing this request. Our field staff in the Sierra Vista area have reviewed this material and have confirmed the non-existence of this entity.

Should you have questions, please contact me directly

Mike Traubert  
Manager  
Water Quality Compliance  
Arizona Department of Environmental Quality

=====

**PLEASE NOTE:**

Effective September 30, 2005, the Arizona Department of Environmental Quality will no longer accept e-mail addressed to the ev.state.az.us domain.

All e-mail communications must be addressed to azdeq.gov ( traubert.mike@azdeq.gov )

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postmaster@ccsd.cc.state.az.us CC

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## Blessing Chukwu

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**From:** Churchill, Darryl [dchurchill@re.state.az.us]  
**Sent:** Tuesday, July 12, 2005 9:34 AM  
**To:** Blessing Chukwu  
**Subject:** FW: Bella Vista Sewer

-----Original Message-----

**From:** Churchill, Darryl  
**Sent:** Friday, July 08, 2005 3:28 PM  
**To:** 'bchukwu@az.acc.com'  
**Subject:** FW: Bella Vista Sewer

-----Original Message-----

**From:** Churchill, Darryl  
**Sent:** Wednesday, July 06, 2005 3:14 PM  
**To:** 'bchukwu@az.cc.com'  
**Cc:** Tanney, Roy  
**Subject:** Bella Vista Sewer

Ms. Chukwu,

Based upon our conversation and the fact that Bella Vista Sewer is not servicing any customers, the Department of Real Estate would have no objections to the cancellation of their CC&N.

Sincerely,  
Darryl S. Churchill  
Representative

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