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BEFORE THE ARIZONA CORPORATION COMMISSION

- 1
- 2 WILLIAM A. MUNDELL
Chairman
- 3 JIM IRVIN
Commissioner
- 4 MARC SPITZER
Commissioner
- 5

6 IN THE MATTER OF THE APPLICATION OF)
 BACA FLOAT WATER COMPANY, SEWER)
 7 DIVISION, AN ARIZONA CORPORATION, FOR)
 APPROVAL OF A SEWER MAIN EXTENSION)
 8 TARIFF AND REQUEST FOR PARTIAL)
 WAIVER OF RULE)

DOCKET NO. WS-01678A-01-0327

DECISION NO. 63672

ORDER

Arizona Corporation Commission

DOCKETED

MAY 24 2001

10 Open Meeting
 May 22 and 23, 2001
 11 Phoenix, Arizona

12 BY THE COMMISSION:

DOCKETED BY	
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FINDINGS OF FACT

14 1. On April 17, 2001, Baca Float Water Company, Sewer Division ("Baca"), in compliance
 15 with Commission Decision No. 60721 filed an application for approval of a Sewer Main Extension
 16 Tariff, and waiver of R14-2-606 (C) (1) (a) and 606 (D).

17 2. Baca is engaged in providing water and wastewater service within portions of Santa Cruz
 18 County, Arizona, pursuant to the authority granted by the Arizona Corporation Commission.

19 3. In Decision No. 60721, March 23, 1998, the Commission authorized Rio Rico Utilities,
 20 Inc., to transfer to Baca approximately one and one-half section of certificated territory. In addition,
 21 the Commission extended Baca's then existing CC&N to include additional territory adjoining the
 22 transferred property and required the company to file a wastewater main extension tariff.

23 4. Baca is owned by Baca Float Land Development Limited Partnership, a developer. The
 24 developer and related entity, Mission Land Development Partnership, own a large portion of the
 25 property in the transferred area and are planning two new developments.

26 5. Wastewater Main Extensions are governed by Arizona Administrative Code R14-2-606,
 27 which in part, requires the utility to: prepare rough estimates for potential applicants, provide detailed
 28 plans within 90 days of a request, provide a copy of the tariff, and provide written contracts when

1 requiring payment. The rule also requires the utility to refund or collect additional funds if the cost
2 is different than the payment, within 120 days of completion.

3 6. Wastewater Main Extension Tariffs are governed by R14-2-606(C), which requires the
4 utility to include specific provisions in its tariff. The required tariff provisions include: a) the
5 maximum footage or equipment allowance to be provided by the utility; b.) an economic feasibility
6 study, applied uniformly, to determine if a project meets the utility's established criteria for investment
7 or requires the customer to advance funds; and c.) the timing and methods a utility will refund the
8 advance. The rule also requires all advances in aid of construction to be non-interest bearing, and if
9 after five years the advance has not been refunded, it shall be treated as a contribution-in-aid-of-
10 construction.

11 7. Baca's proposed wastewater extension tariff meets the standards embodied in the rule.
12 The proposed tariff requires the utility to: prepare rough estimates for potential applicants, provide
13 detailed plans within 90 days of a request, provide a copy of the tariff, and provide written contracts
14 when requiring payment.

15 8. The proposed tariff also requires the utility to refund or collect additional funds if the
16 cost of the main is different than the payment, within 30 days of completion, rather than the required
17 120 days.

18 9. The proposed tariff also includes an economic feasibility study, applied uniformly, to
19 determine if a project meets the utility's established criteria for investment or requires the customer
20 to advance funds. In addition, the tariff also provides the customer refunds of ten (10) percent of the
21 associated revenue, for ten (10) years, double the five (5) year minimum requirement in the rule.

22 10. The Company requests Commission approval of a waiver of R14-2-606(C)(1) and
23 606(D) as the proposed tariff does not provide free footage of an equipment allowance, nor does the
24 tariff distinguish between residential subdivision developments and permanent mobile home parks.

25 11. Baca Float is a small utility, requiring capital to advance services to new developments.
26 The proposed tariff will ensure that customers requiring facilities to be advanced will be treated
27 consistently.

28 ...

1 12. Staff has reviewed the tariff and believes it is in the public interest and recommends
2 approval.

3 CONCLUSIONS OF LAW

4 1. Baca Float Water Company, Sewer Division, is a public service corporation within the
5 meaning of Article XV, Section 2, of the Arizona Constitution.

6 2. The Commission has jurisdiction over Baca Float Water Company, Sewer Division, and
7 the subject matter of the application.

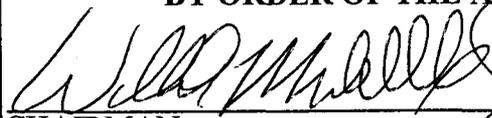
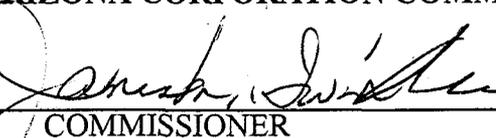
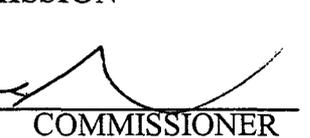
8 3. The Commission, having reviewed the application, the Wastewater Main Extension
9 Tariff, and the Staff Memorandum dated May 7, 2001, concludes that the Wastewater Main Extension
10 tariff is in the public interest and should be approved.

11 ORDER

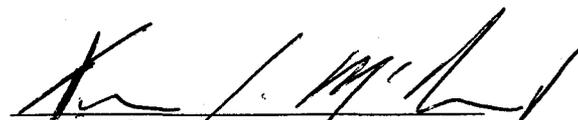
12 THEREFORE, IT IS ORDERED that the application of Baca Float Water Company, Sewer
13 Division, for approval of the Wastewater Main Extension Tariff is approved.

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

15
16 **BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

17 
18 CHAIRMAN  COMMISSIONER  COMMISSIONER

19 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
20 Secretary of the Arizona Corporation Commission, have
21 hereunto, set my hand and caused the official seal of this
22 Commission to be affixed at the Capitol, in the City of
23 Phoenix, this 24th day of May, 2001.

24 
25 BRIAN C. McNEIL
26 Executive Secretary

27 DISSENT: _____

28 DRS:JEF:lhmvFW

1 SERVICE LIST FOR: Baca Float Water Company
2 DOCKET NO. W-01678A-01-0327

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7 Ms. Deborah R. Scott
8 Director, Utilities Division
9 Arizona Corporation Commission
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12 Mr. Christopher C. Kempley
13 Chief Counsel
14 Arizona Corporation Commission
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16 Phoenix, Arizona 85007

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- * Per Commission Rule R14-2-403.B
- ** Monthly minimum times months off the system
- *** Costs to include parts, labor, overhead, and all applicable taxes, including income tax, if applicable.
- **** 1.50 percent per month of the unpaid balance

13. Staff further recommends that:

- (a) Empirita file a rate application within 36 months of the date it provides service to its first permanent customer;
- (b) Empirita maintain its books and records in accordance with the NARUC Uniform System of Accounts for Class C water utilities;
- (c) Empirita's tariff allow for the flow-through of appropriate State and local taxes as provided in A.A.C. Rule R14-2-409D;
- (d) Empirita file tariff pages consistent with this Decision within 30 days of the effective date of this Decision;
- (e) Empirita notify the Commission within 15 days of providing service to its first permanent customer;
- (f) Empirita file with the Commission, within 365 days from the effective date of this Decision, copies of its water adequacy statement from ADWR, its Cochise County franchise and Approval to Construct from ADEQ; and
- (g) The Commission's Decision granting a CC&N to Empirita be considered null and void without further Order of the Commission should Empirita fail to meet the above conditions within the time specified.

14. Empirita has agreed to all of Staff's recommendations.

CONCLUSIONS OF LAW

- 1. Empirita is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-281 and 40-282.
- 2. The Commission has jurisdiction over Empirita and the subject matter of the application.
- 3. Notice of the application was provided in accordance with law.

1 4. There is a public need and necessity for water service in the proposed service territory
2 as set forth in Exhibit A.

3 5. Empirita is a fit and proper entity to receive a Certificate to provide water service in
4 the proposed service area.

5 6. Staff's recommendations contained in Findings of Fact Nos. 12 and 13 are reasonable
6 and should be adopted.

7 **ORDER**

8 IT IS THEREFORE ORDERED that the application of Empirita Water Company, LLC for a
9 new Certificate of Convenience and Necessity to provide water service to the area in Cochise County,
10 Arizona, described in Exhibit A hereto, is approved conditioned upon Empirita Water Company
11 LLC. complying with the recommendations set forth in Findings of Fact No. 13(f).

12 IT IS FURTHER ORDERED that Empirita Water Company LLC.'s Certificate of
13 Convenience and Necessity shall be null and void without further Order of the Commission if
14 Empirita Water Company, LLC fails to comply with the recommendations set forth in Findings of
15 Fact No. 13(f).

16 IT IS FURTHER ORDERED that Empirita Water Company, LLC shall charge initial rates
17 and charges as recommended by Staff and set forth in Findings of Fact No. 12.

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1 IT IS FURTHER ORDERED that Empirita Water Company, LLC. shall comply with the
2 recommendations set forth in Findings of Fact No. 13.

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

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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CHAIRMAN

COMMISSIONER

COMMISSIONER

10 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
11 Secretary of the Arizona Corporation Commission, have
12 hereunto set my hand and caused the official seal of the
13 Commission to be affixed at the Capitol, in the City of Phoenix,
14 this 24th day of May, 2001.

15 
16 BRIAN C. McNEIL
17 EXECUTIVE SECRETARY

18 DISSENT _____
19 JR:dap

1 SERVICE LIST FOR: EMPIRITA WATER COMPANY, LLC.

2 DOCKET NO.: W-03861A-00-0208

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4 Lawrence V. Robertson, Jr.
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EXHIBIT A

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Township 17 South, Range 19 East of the Gila and Salt River Base and Meridian, Cochise County, Arizona.