

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER



ARIZONA CORPORATION COMMISSION



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AZ CORP COMMISSION
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DATE: APRIL 17, 2001

DOCKET NOS.: W-02838A-00-0684; W-02838A-00-0844; W-03945A-00-0788, and W-02838A-00-0788

TO ALL PARTIES:

Arizona Corporation Commission

DOCKETED

APR 17 2001

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Enclosed please find the recommendation of Administrative Law Judge Jane Rodda. The recommendation has been filed in the form of an Opinion and Order on:

FRANCESCA WATER CO.
(RATES/CC&N EXTENSION/SALE-TRANSFER CC&N)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and ten (10) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

APRIL 26, 2001

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

MAY 1, 2001 and MAY 2, 2001

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

BRIAN C. McNEIL
EXECUTIVE SECRETARY

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 WILLIAM A. MUNDELL
CHAIRMAN

3 JIM IRVIN
COMMISSIONER

4 MARC SPITZER
COMMISSIONER

5
6 IN THE MATTER OF THE APPLICATION OF
FRANCESCA WATER CO., FOR A PERMANENT
7 RATE INCREASE.

DOCKET NO. W-02838A-00-0684

8 IN THE MATTER OF THE APPLICATION OF
9 FRANCESCA WATER CO. FOR AN EXTENSION
10 TO ITS CERTIFICATE OF CONVENIENCE AND
NECESSITY.

DOCKET NO. W-02838A-00-0844

11 IN THE MATTER OF THE APPLICATION OF
12 FRANCESCA WATER CO. FOR APPROVAL OF
THE SALE OF ASSETS AND TRANSFER OF ITS
13 CERTIFICATE OF CONVENIENCE AND
NECESSITY.

DOCKET NO. W-03945A-00-0788
DOCKET NO. W-02838A-00-0788

12 DECISION NO. _____

13 **OPINION AND ORDER**

14 DATE OF HEARING:

February 6, 2001

15 PLACE OF HEARING:

Tucson, Arizona

16 ADMINISTRATIVE LAW JUDGE:

Jane L. Rodda

17 APPEARANCES:

18 David Thomson, President, on behalf of
Francesca Water Company; and

19 Robert Metli, Staff Attorney, Legal Division on
20 behalf of the Utilities Division of the Arizona
Corporation Commission.

21 **BY THE COMMISSION:**

22 Francesca Water Company, Inc. ("Francesca" or "Company") provides water utility service to
23 approximately 84 customers in the Three Point Junction area of Pima County, approximately 18
24 miles southwest of Tucson. The Company operates two separate water systems located
25 approximately 4 miles apart. The Talaway System serves 49 customers and the Amber Ann system
26 serves 35 customers.

27 Francesca filed three separate applications with the Arizona Corporation Commission
28

1 (“Commission”) that have been consolidated. On September 11, 2000, the Company filed an
2 application for a permanent rate increase. As part of the rate application, the Company requested
3 authority to borrow \$97,000 from the Water Infrastructure Finance Authority of Arizona (“WIFA”).

4 On October 5, 2000, Francesca filed an application to sell the assets and transfer the
5 Certificate of Convenience and Necessity (“Certificate” or “CC&N”) of Francesca Water Company
6 to Francesca Water Company, Inc. When Mr. David Thompson, the current owner, acquired the
7 Francesca system about three years ago, he discovered that the Francesca Water Company, an
8 Arizona corporation, and the entity to which the Commission had granted a Certificate, had been
9 administratively dissolved for failing to file reports with the Commission’s Corporations Division.
10 Mr. Thomson re-incorporated the Company as Francesca Water Company, Inc. in 1998, and now
11 seeks authority to transfer the assets and Certificate of the Francesca Water Company to Francesca
12 Water Company, Inc.

13 Finally, Mr. Thomson discovered that the Amber Ann system, which Francesca has been
14 operating for seven years, was never included within the Company’s certificated area. Thus, on
15 October 24, 2000, Francesca filed an application to extend its Certificate to include the Amber Ann
16 system.

17 A hearing on the consolidated matter was held in Tucson on February 6, 2001, with Mr.
18 Thomson, the Company’s owner and president, representing the Company, and Commission Utility
19 Division Staff (“Staff”) appearing through counsel.

20 Based on December 31, 1999 test year results, as adjusted by Staff, Francesca realized
21 operating income of \$514 on an Original Cost Rate Base (“OCRB”) of \$98,347, for a rate of return of
22 0.52 percent. The Company proposed rates that would produce revenue of \$50,039, and operating
23 income of \$19,610, for a 19.9 percent rate of return on adjusted OCRB. Staff proposed rates that will
24 produce revenue of \$36,334, and operating income of \$8,122, an 8.26 percent rate of return on
25 Adjusted OCRB.

26 The Company agreed with Staff’s adjustments to rate base and operating expenses. The
27 Company believed that the risk associated with the Francesca system, and the need for a contingency
28 fund for emergencies, justified a higher rate of return. Staff’s recommended rates and charges

1 produce positive cash flow of approximately \$15,500. Under the new rates, after servicing the WFIA
2 loan, the Company would have a positive cash flow of approximately \$7,200. We believe that the
3 recommended rate of return is reasonable for a Company of this size and facing the same operating
4 challenges as Francesca and provides sufficient funds for contingencies.

5 The Talaway system is not in compliance with Arizona Department of Environmental Quality
6 ("ADEQ") regulations for failing to report test results for radiochemicals and lead and copper and for
7 inadequate storage capacity and other operational matters. Furthermore, ADEQ has no records on the
8 Amber Ann system. The Company has agreed with Staff's recommendations that the rates approved
9 herein not become effective until the Company provides documentation from ADEQ that the
10 Talaway system is providing water that meets the quality standards of the Safe Drinking Water Act,
11 and that further the rates will be interim and subject to refund until the Company provides
12 documentation that the Amber Ann system is providing water that meets the quality standards of the
13 Safe Drinking Water Act.

14 The proceeds of the Company's \$97,000 WIFA loan will be used to add necessary storage
15 and make other upgrades that will bring both the Talaway and Amber Ann systems into compliance
16 with ADEQ regulations.

17 In addition, we are adopting Staff recommendations that the Company's extension of its
18 Certificate to include the Amber Ann system be conditioned upon the Company registering its well
19 with ADWR within 30 days of the effective date of this Decision and demonstrating that the Talaway
20 system is providing water that complies with the quality standards of the Safe Drinking Water Act
21 within 60 days of the effective date of this Decision and that Amber Ann system is providing water
22 that complies with the quality standards of the Safe Drinking Water Act by December 31, 2001.

23 * * * * *

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

26 **FINDINGS OF FACT**

27 1. Francesca provides water utility service to approximately 84 customers in the Three
28 Point Junction area of Pima County, approximately 18 miles southwest of Tucson.

1 2. The Company operates two separate water systems, approximately 4 miles apart. The
2 Talaway System serves 49 customers and the Amber Ann system serves 35 customers. Of the
3 Company's 84 customers, 83 have 5/8 inch meters and one customer has a 1 inch meter.

4 3. Francesca is located within the Tucson AMA.

5 4. In Decision No. 59262 (August 30, 1995), the Commission granted a Certificate to
6 Francesca Water Company, an Arizona corporation. Francesca Water Company was administratively
7 dissolved in 1996 for failing to file its annual reports with the Commission's Corporations Division.

8 5. Francesca was re-established as a corporation in 1998, and is currently in good
9 standing with the Corporations Division.

10 6. On September 11, 2000, Francesca filed an application for a permanent rate increase
11 and for authority to borrow \$97,000 from WIFA.

12 7. On October 5, 2000, Francesca Water Company filed an application to sell its assets
13 and transfer its Certificate from Francesca Water Company to Francesca Water Company, Inc., a
14 newly formed Arizona corporation.

15 8. On October 24, 2000, Francesca filed an application to extend its Certificate to include
16 the Amber Ann system. The proposed extension area is set forth in Exhibit A hereto, and
17 incorporated herein by reference.

18 9. The Company has been providing water utility service to customers on the Amber Ann
19 system for seven years, but the system has never been included within the Company's certificated
20 area.

21 10. Staff notified the Company that its application for Sale of Assets and Transfer of
22 Certificate was sufficient on November 2, 2000, and that the rate application was sufficient on
23 October 10, 2000. Staff classified Francesca as a class E utility.

24 11. Upon Staff's Motion, the applications were consolidated by Procedural Order dated
25 November 17, 2000. In consolidating the matters, the Commission extended the timeclock set forth
26 in R14-2-103.

27 12. Francesca mailed notice of its rate application to its customers on September 1, 2000.
28 The Commission received 3 verbal customer complaints in response to the proposed rate increase.

1 13. A hearing on the consolidated matter was set for February 6, 2001 in Tucson, Arizona.
2 The Company mailed notice of the hearing to its customers with its January 2001 bills.

3 14. Staff filed its Staff Report on the consolidated matters on December 12, 2000.

4 15. Francesca's current rates were established in Decision No. 59262 (August 30, 1995).

5 16. Based on December 31, 1999 test year results, as adjusted by Staff, Francesca realized
6 operating income of \$514 on an OCRB of \$98,347, for a rate of return of 0.52 percent.

7 17. The Company proposed rates that would produce revenue of \$50,039, and operating
8 income of \$19,610, for a 19.9 percent rate of return on adjusted OCRB.

9 18. Staff proposed rates that will produce revenue of \$36,334, and operating income of
10 \$8,122, an 8.26 percent rate of return on Adjusted OCRB.

11 19. Francesca's present and proposed rates and charges, as well as Staff's recommended
12 rates and charges are as follows:

	<u>Present Rates</u>	<u>Proposed Rates Company</u>	<u>Staff</u>
<u>Monthly Usage Charges</u>			
5/8" x 3/4" Meter	\$18.75	\$28.00	\$16.35
3/4" Meter	18.75	32.00	18.50
1" Meter	18.75	38.00	21.00
1 1/2" Meter	0.00	0.00	29.00
2" Meter	0.00	0.00	50.00
3" Meter	0.00	0.00	70.00
4" Meter	0.00	0.00	109.00
6" Meter	0.00	0.00	199.00
Gallons included in Minimum	2,000	0	0
<u>Commodity Rate</u>			
Excess of minimum – per 1,000 gallons			
Over 2,000 gallons	\$2.00	N/A	N/A
0 – 10,000 gallons	N/A	\$3.00	N/A
10,001 – 20,000 gallons	N/A	\$4.00	N/A
0 – 4,000 gallons	N/A	N/A	\$2.63
4,001 – 20,000 gallons	N/A	N/A	\$3.95
Over 20,000 gallons	N/A	\$6.00	\$4.73

Service Line and Meter Installation Charges

(Refundable pursuant to A.A.C. R14-2-405)

1	5/8" x 3/4" Meter	\$250.00	\$1,375.00	\$455.00
2	3/4" Meter	250.00	1,425.00	515.00
	1" Meter	250.00	1,495.00	590.00
3	1 1/2" Meter	0.00	0.00	820.00
	2" Meter	0.00	0.00	1,380.00
4	3" Meter	0.00	0.00	1,935.00
	4" Meter	0.00	0.00	3,030.00
5	6" Meter	0.00	0.00	5,535.00

Service Charges

7	Establishment	\$25.00	\$50.00	\$35.00
	Establishment (After Hours)	40.00	65.00	50.00
8	Reconnection (Delinquent)	15.00	25.00	25.00
	Meter Test (If Correct)	50.00	75.00	50.00
9	Deposit	*	*	*
	Deposit Interest – Per Annum	*	*	*
10	Re-Establishment (Within 12 Months)	**	**	**
	NSF Check	13.00	25.00	15.00
11	Deferred Payment – Per Month	0.0%	1.5%	1.5%
12	Meter Re-Read (If Correct)	10.00	15.00	15.00

* Per A.A.C. R14-2-403.B

** Months off system times the minimum (R14-2-403.D)

20. Staff's adjustments to rate base increased Francesca's proposed rate base from \$71,116 to \$98,347. The adjustments to plant in service reflect Staff's estimated reconstructed value for new plant additions. Staff's adjustments to rate base set forth in the Staff Report are reasonable and should be adopted. The Company's Fair Value Rate Base is determined to be \$98,347, and is the same as its OCRB.

21. Staff made 13 adjustments to Operating Expenses, decreasing operating Expenses from \$30,429 to \$27,612. Staff's adjustments, as reflected in the Staff Report, are reasonable and should be adopted.

22. The Company is not in compliance with the regulations of the Arizona Department of Environmental Quality ("ADEQ") for failing to monitor and report for radiochemicals as well as lead and copper. Consequently, ADEQ could not determine if the Company is providing water that meets the quality standards of the Safe Drinking Water Act.

23. At the hearing, the Company testified that it has performed the tests for radiochemicals, lead and copper, transmitted the results to ADEQ and consequently, should be in

1 compliance as far as testing. As of the hearing date, the Commission had not received confirmation
2 of compliance from ADEQ.

3 24. The Company is also in violation of ADEQ regulations for not having installed back-
4 flow prevention assemblies, failing to install storage tanks, failing to properly fence the well site and
5 failing to properly grade well-sites.

6 25. ADEQ does not have records for the Amber Ann system, although Mr. Thomson has
7 been testing the water. Francesca will have to perform extensive testing to demonstrate that the
8 Amber Ann system is in compliance with ADEQ requirements. The costs of bringing the Amber
9 Ann system into compliance with ADEQ regulations are included within the WIFA loan request.

10 26. The Company's rate application included a request for authority to borrow \$97,000
11 from WIFA to install a 40,000 and 25,000 gallon storage tanks and to make other upgrades that will
12 bring the system into compliance with ADEQ.

13 27. Staff Engineering reviewed the costs of the proposed projects to be financed and found
14 them to be reasonable.

15 28. Staff recommends approval of the WIFA loan under the terms and conditions set forth
16 by WIFA's Board of Directors at the time of the consummation of the loan.

17 29. The Company's proposed rates would increase the median 5/8 inch meter monthly bill
18 by 71.2 percent, from \$27.70 to \$47.43, and the average 5/8 inch meter bill by 69.2 percent, from
19 \$30.55 to \$51.70.

20 30. Staff's recommended rates would increase the median 5/8 inch meter monthly bill by
21 27.2 percent, from \$27.70 to \$35.25 and the average 5/8 inch meter monthly bill by 32.5 percent,
22 from \$30.55 to \$40.48.

23 31. At the time of the Staff Report, the parties expected the WIFA loan to have a term of
24 20 years and an interest rate index of 8.34 percent. Under these terms, the WIFA loan will require
25 monthly principal, interest and reserve/replacement payments of \$835.

26 32. Staff's proposed revenue level produces a Debt Service Coverage ("DSC") ratio of
27 1.57. Staff's recommended rates provide sufficient revenue to cover debt service and WIFA's
28 required reserve/replacement fund deposits.

1 33. Staff recommends that its proposed rates and charges go into effect on the first of the
2 month following the Company filing documentation from ADEQ that the Talaway system is
3 providing water that meets the quality standards of the Safe Drinking Water Act, and further that the
4 rates be interim and subject to refund until the Company demonstrates that the Amber Ann system is
5 providing water that meets the quality standards of the Safe Drinking Water Act. Staff recommends
6 that the Company provide evidence that the Amber Ann system is providing water that meets the
7 quality standards of the Safe Drinking Water Act by December 31, 2001.

8 34. Engineering Staff recommends that the Company be required to submit to the Utilities
9 Division Director, Certificates of Approval to Construct from ADEQ for all projects to be financed
10 no later than December 31, 2001. Engineering Staff also recommends that Francesca submit to the
11 Utilities Division Director, Certificates of Approval of Construction from ADEQ for all financed
12 projects no later than May 1, 2002.

13 35. The Arizona Department of Water Resources ("ADWR") does not have any records
14 for Francesca.

15 36. Francesca has not filed a copy of its Pima County franchise.

16 37. Francesca is current on all property and sales taxes.

17 38. The Company is not maintaining its books and records in conformance with the
18 National Association of Regulatory Utility Commissioners ("NARUC") Uniform System of
19 Accounts.

20 39. Staff further recommends:

21 (a) Approval of the sale of assets and transfer of the Certificate.

22 (b) That in addition to its regular rates and charges, Francesca shall collect from its
23 customers their proportionate share of any Privilege, Sales or Use Tax as
24 provided for in A.A.C. R14-2-409.D.

25 (c) Francesca be directed to establish an interest bearing account and deposit a
26 minimum of \$695.50 per month (or \$8.28 per customer per month) for the
27 purpose of repaying the WIFA loan. Customer growth will allow the
28 Company to accumulate more than the minimum payment of \$695.50 per

1 month, and Staff recommends that the Company be allowed to accelerate
2 repayment of the WIFA loan when cash balances permit.

- 3 (d) The Company implement and maintain its records in accordance with the
4 NARUC Uniform System of Accounts, establish a general ledger and other
5 appropriate accounting and business records, maintain a separate bank account
6 for utility purposes only, and maintain utility records separate from personal
7 and other non-utility records.

8 40. As conditions of granting the extension of its Certificate to include the Amber Ann
9 system, Staff recommends:

- 10 (a) The Company provide documentation from ADEQ that the monitoring
11 deficiencies on the Talaway system have been resolved and that the Talaway
12 system is providing water that meets the quality standards of the Safe Drinking
13 Water Act within 30 days of the effective date of this Decision;
- 14 (b) Francesca submit a copy of its Pima County franchise to the Commission
15 within 365 days of the effective date of this Decision;
- 16 (c) Francesca submit documentation to the Commission from ADWR indicating
17 its wells have been registered within 30 days of the effective date of this
18 Decision;
- 19 (d) Francesca submit documentation from ADEQ by December 31, 2001, that the
20 Amber Ann system is providing water that meets the quality standards of the
21 Safe Drinking Water Act; and
- 22 (e) The Commission's Decision covering the extension be considered null and
23 void without further order of the Commission should Francesca fail to meet the
24 above conditions within the time specified.

25 **CONCLUSIONS OF LAW**

26 1. Francesca is a public service corporation within the meaning of Article XV of the
27 Arizona Constitution and A.R.S. §§40-250, 40-251, 40-301 and 40-302.

28 2. The Commission has jurisdiction over Francesca and of the subject matter of the

1 applications.

2 3. Notice of the application was provided in the manner prescribed by law.

3 4. The rates and charges authorized herein are just and reasonable and should be
4 approved without a hearing.

5 5. The financing approved herein is for lawful purposes within Francesca's corporate
6 powers, is compatible with the public interest, with sound financial practices, and with the proper
7 performance by Francesca of service as a public service corporation, and will not impair Francesca's
8 ability to perform that service.

9 6. The financing approved herein is for the purposes stated in the application and is
10 reasonably necessary for those purposes, and such purposes are not, wholly or in part, reasonably
11 chargeable to operating expenses or to income.

12 7. There is a need for water utility service within the Amber Ann service area.

13 8. With the conditions set forth herein, Francesca is a fit and proper entity to provide
14 water utility service to the Amber Ann service area.

15 9. The recommendations set forth in Findings of Fact Nos. 39 and 40 are reasonable and
16 should be adopted, except that with respect to Finding of Fact 40(a), it is reasonable to grant
17 Francesca 60 days from the effective date of this Order to demonstrate that the Talaway system is in
18 compliance with the quality standards of the Safe Drinking Water Act.

19 **ORDER**

20 IT IS THEREFORE ORDERED that the sale of assets and transfer of Certificate of
21 Convenience and Necessity from Francesca Water Company to Francesca Water Company, Inc. is
22 approved.

23 IT IS FURHTER ORDERED that Francesca Water Company, Inc. shall file on or before May
24 31, 2001, the following schedule of rates and charges:

25 ...
26 ...
27 ...
28 ...

Monthly Usage Charges

1	5/8" x 3/4" Meter	\$16.35
2	3/4" Meter	18.50
	1" Meter	21.00
3	1 1/2" Meter	29.00
	2" Meter	50.00
4	3" Meter	70.00
	4" Meter	109.00
5	6" Meter	199.00

Commodity Rate

7	Per 1,000 gallons	
8	1-4,000 gallons	\$2.63
	4,001 to 20,000 gallons	\$3.95
9	Over 20,000 gallons	\$4.73

Service Line and Meter Installation Charges
(Refundable pursuant to A.A.C. R14-2-405)

11	5/8" x 3/4" Meter	\$455.00
	3/4" Meter	515.00
12	1" Meter	590.00
	1 1/2" Meter	820.00
13	2" Meter	1,380.00
	3" Meter	1,935.00
14	4" Meter	3,030.00
15	6" Meter	5,535.00

Service Charges

16	Establishment	\$35.00
17	Establishment (After Hours)	50.00
	Reconnection (Delinquent)	\$25.00
18	Meter Test (If Correct)	50.00
	Deposit	*
19	Deposit Interest - Per Annum	*
	Re-Establishment (Within 12 Months)	**
20	NSF Check	15.00
	Deferred Payment - Per Month	1.5%
21	Meter Re-Read (If Correct)	15.00

* Per A.A.C. R14-2-403.B

** Months off system times the minimum (R14-2-403.D)

IT IS FURTHER ORDERED that the above rates and charges shall be effective for all service provided on and after the first of the month following Francesca Water Company, Inc. providing documentation from the Arizona Department of Environmental Quality that the Talaway system is providing water that meets the quality standards of the Safe Drinking Water Act and providing

1 documentation that it has established the segregated account discussed in Findings of Fact No. 39(c).

2 IT IS FURTHER ORDERED that the increased rates approved herein shall be interim and
3 subject to refund until Francesca Water Company, Inc. files documentation from the Arizona
4 Department of Environmental Quality that the Amber Ann system is providing water that meets the
5 quality standards of the Safe Drinking Water Act.

6 IT IS FURTHER ORDERED that Francesca Water Company, Inc. shall file documentation
7 from the Arizona Department of Environmental Quality that the Amber Ann system is providing
8 water that meets the quality standards of the Safe Drinking Water Act by December 31, 2001.

9 IT IS FURTHER ORDERED that Francesca Water Company, Inc. is hereby authorized to
10 borrow up to \$97,000 from the Water Infrastructure Finance Authority of for a term 20 years and
11 upon such other terms and conditions set forth by WIFA's Board of Directors at the time of the
12 consummation of the loan.

13 IT IS FURTHER ORDERED that Francesca Water Company, Inc is hereby authorized to
14 engage in any transactions and to execute any documents necessary to effectuate the authorization
15 granted hereinabove.

16 IT IS FURTHER ORDERED that such authority is expressly contingent upon Francesca
17 Water Company, Inc.'s use of the proceeds for the purposes set forth in its application.

18 IT IS FURTHER ORDERED that approval of the financing set forth hereinabove does not
19 constitute or imply approval or disapproval by the Commission of any particular expenditure of the
20 proceeds derived thereby for purposes of establishing just and reasonable rates.

21 IT IS FURTHER ORDERED that Francesca Water Company, Inc. shall file copies of all
22 executed financing documents setting forth the terms of the financing, within 15 days of the date they
23 become available.

24 IT IS FURTHER ORDERED that Francesca Water Company, Inc. shall notify its customers
25 of the rates and charges authorized herein and the effective date of same by means of an insert in its
26 regular monthly billing that follows providing documentation from the Arizona Department of
27 Environmental Quality that the Talaway system is in compliance with the quality standards of the
28 Safe Drinking Water Act.

1 IT IS FURTHER ORDERED that Francesca Water Company, Inc.'s application to extend its
2 Certificate of Convenience and Necessity to provide water utility service to the area described in
3 Exhibit A, is granted, conditioned upon 1) providing documentation from ADEQ that the monitoring
4 deficiencies on the Talaway system have been resolved and that the Talaway system is providing
5 water that meets the quality standards of the Safe Drinking Water Act within 60 days of the effective
6 date of this Decision; 2) submitting a copy of its Pima County franchise to the Commission within
7 365 days of the effective date of this Decision; 3) submitting documentation to the Commission from
8 the Arizona Department of Water Resources indicating its wells have been registered within 30 days
9 of the effective date of this Decision; and 4) submitting documentation from the Arizona Department
10 of Environmental Quality by December 31, 2001, that the Amber Ann system is providing water that
11 meets the quality standards of the Safe Drinking Water Act.

12 IT IS FURTHER ORDERED that the authorization for the extension will be considered null
13 and void without further order of the Commission in the event Francesa Water Company, Inc. fails to
14 meet the above conditions within the time specified.

15 IT IS FURTHER ORDERED that Francesca Water Company, Inc. shall comply with the
16 recommendations set forth in Findings of Fact No. 34 and 39.

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

18 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

19
20 CHAIRMAN

COMMISSIONER

COMMISSIONER

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

25 _____
26 BRIAN C. McNEIL
EXECUTIVE SECRETARY

27 DISSENT _____
JR:dap

1 SERVICE LIST FOR: FRANCESCA WATER COMPANY, INC.
2 DOCKET NOS.: W-02838A-00-0684; W-02838A-00-0844; W-03945A-
3 00-0788 and W-02838A-00-0788

4 David A. Thomson Jr.
5 Francesca Water Company, Inc.
6 11200 S. Sirrita Mtn. Rd. PMB #106
7 Tucson, Arizona 85736

8 Suzanne Price
9 WIFA
10 202 E. Earll Drive, Suite 480
11 Phoenix, Arizona 85012

12 Mr. Christopher Kempley, Chief Counsel
13 Legal Division
14 ARIZONA CORPORATION COMMISSION
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17 Ms. Deborah Scott, Director
18 Utilities Division
19 ARIZONA CORPORATION COMMISSION
20 1200 West Washington Street
21 Phoenix, Arizona 85007

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EXHIBIT A

Legal Description of Extension Area

West ½ of the SE ¼ of Section 13, Township 16S, Range 10E, Gila and Salt River Base and Meridian, Pima County, Arizona.

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