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BEFORE THE ARIZONA CORPORATION COMMISSION
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CARL J. KUNASEK
CHAIRMAN
JIM IRVIN
COMMISSIONER
WILLIAM A. MUNDELL
COMMISSIONER

DOCKETED BY JM

IN THE MATTER OF THE APPLICATION OF
CITIZENS COMMUNICATIONS COMPANY TO
EXTEND ITS CERTIFICATE OF CONVENIENCE
AND NECESSITY FOR WASTEWATER
COLLECTION AND TREATMENT SERVICE TO
CERTAIN AREAS LOCATED WITHIN MOHAVE
COUNTY, ARIZONA.

DOCKET NO. SW-01032A-00-0383

DECISION NO. 63203

OPINION AND ORDER

DATE OF HEARING: October 23, 2000
PLACE OF HEARING: Phoenix, Arizona
ADMINISTRATIVE LAW JUDGE: Karen E. Nally
APPEARANCES: Mr. Todd C. Wiley, GALLAGHER & KENNEDY, on behalf of Citizens Communications Company; and
Mr. Christopher C. Kempley, Assistant Chief Counsel, Legal Division, on behalf of the Utilities Division of the Arizona Corporation Commission.

BY THE COMMISSION:

On June 1, 2000, Citizens Communications Company ("Citizens" or "Company") filed an application for an extension to its Certificate of Convenience and Necessity ("CC&N") to provide wastewater service to property located in Mohave County. Arizona Corporation Commission ("Commission") Staff ("Staff") filed its Staff Report on October 17, 2000 recommending approval of the application following a hearing.

Discussion

Citizens provides wastewater service to approximately 423 customers according to Citizens' 1998 Annual Report. Citizens' existing certificated area encompasses approximately 3/4 of a section of land. In its application, Citizens requests to extend its CC&N to two (2) sections of land. Two new developments, Mesa Vista and Emerald River Estates II, are being planned which will require wastewater service to be provided by Citizens. Mesa Vista will consist of 131 single-family residences and Emerald River Estates II will consist of 62 single-family residences. Construction is

1 expected to begin in January 2001 and be completed by mid 2001. In addition, there are also existin
2 developments in the proposed CC&N area that have inquired about receiving wastewater serv.
3 from Citizens.

4 In Decision No. 62139, dated December 14, 1999, the Commission approved Citizens'
5 purchase of the wastewater utility assets and transfer of CC&N from Sorenson Utility Company
6 ("Sorenson"). One section of land (Section 25) requested by Citizens is adjacent to the area that was
7 purchased from Sorenson while the other section (Section 24) is directly north. Citizens has
8 indicated that it will continue to charge the rates it currently charges to the Sorenson system, as
9 approved by the Commission in Decision No. 61739, dated June 4, 1999.

10 The Sorenson Plant ("Plant") is designed to treat 250,000 gallons per day (gpd) of waste flow.
11 but the Plant treats only 60,000 gpd of waste flow at the current time. According to Citizens, it is
12 presently serving about 550 customers. For the initial two subdivisions that have signed line
13 extension agreements, approximately 120 customers will be on line in the first two years. Citizens
14 testified that the additional flow would only be a few thousand gpd with Citizens testifying that
15 Plant is expandable to handle up to one million gpd.

16 Citizens stated that the Arizona Department of Environmental Quality ("ADEQ") stated that
17 Citizens is in Substantial Compliance due to non-operational issues from the lack of signs around
18 some reuse customer's water ponds; however, Citizens testified that it is in compliance for
19 operational issues.

20 Citizens has not obtained its Approval to Construct from ADEQ. Staff recommends that the
21 Commission condition approval of the application on Citizens filing a copy of its Approval to
22 Construct with the Commission within 365 days from the effective date of the Commission's
23 Decision.

24 Citizens has submitted a copy of its current franchise from the Board of Supervisors in
25 Mohave County. Citizens is in compliance with the Commission's filing requirements and is current
26 on its sales and property taxes.

27 Staff further recommends that the Commission's decision covering the extensior
28 considered null and void without further order from the Commission should Citizens fail to meet the

1 above conditions within the time specified.

2 Staff further recommends that Citizens be ordered to charge its existing rates and charges per
3 Decision No. 61739 within the extension area.

4 * * * * *

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

7 **FINDINGS OF FACT**

8 1. On June 1, 2000, Citizens filed an application for an extension to its CC&N to provide
9 wastewater service to property located in Mohave County.

10 2. Staff filed its Staff Report on October 17, 2000 recommending approval of the
11 application following a hearing.

12 3. Citizens provides wastewater service to approximately 423 customers according to
13 Citizens' 1998 Annual Report.

14 4. Citizens' existing certificated area encompasses approximately 3/4 of a section of
15 land.

16 5. In its application, Citizens requests to extend its CC&N to two (2) sections of land.

17 6. Two new developments, Mesa Vista and Emerald River Estates II, are being planned
18 which will require wastewater service to be provided by Citizens.

19 7. Mesa Vista will consist of 131 single-family residences and Emerald River Estates II
20 will consist of 62 single-family residences. Construction is expected to begin in January 2001 and
21 be completed by mid 2001.

22 8. In addition, there are also existing developments in the proposed CC&N area that have
23 inquired about receiving wastewater service from Citizens.

24 9. In Decision No. 62139, the Commission approved Citizens' purchase of the
25 wastewater utility assets and transfer of CC&N from Sorenson.

26 10. One section of land (Section 25) requested by Citizens is adjacent to the area that was
27 purchased from Sorenson while the other section (Section 24) is directly north.

28 11. Citizens has indicated that it will continue to charge the rates it currently charges to

1 the Sorenson system, as approved by the Commission in Decision No. 61739.

2 12. The Sorenson Plant is designed to treat 250,000 gpd of waste flow, but the Plant tre
3 only 60,000 gpd of waste flow at the current time.

4 13. Presently, Citizens is serving about 550 customers.

5 14. For the initial two subdivisions that have signed line extension agreements.
6 approximately 120 customers will be on line in the first two years.

7 15. Citizens testified that the additional flow would only be a few thousand gpd with
8 Citizens testifying that the Plant is expandable to handle up to one million gpd.

9 16. Citizens stated that it is in Substantial Compliance with ADEQ due to non-operational
10 issues from the lack of signs around some reuse customer's water ponds; however, Citizens testified
11 that it is in compliance for operational issues.

12 17. Citizens has not obtained its Approval to Construct from ADEQ.

13 18. Citizens has submitted a copy of its current franchise from the Board of Supervisors in
14 Mohave County.

15 19. Citizens is in compliance with the Commission's filing requirements and is current on
16 its sales and property taxes.

17 20. Staff recommends that the Commission approve the application of Citizens to extend
18 its CC&N in Mohave County conditioned on Citizens filing a copy of its Approval to Construct with
19 the Commission within 365 days from the effective date of the Commission's Decision.

20 21. Staff further recommends that the Commission's Decision covering the extension be
21 considered null and void without further order from the Commission should Citizens fail to meet the
22 above conditions within the time specified.

23 22. Staff further recommends that Citizens be ordered to charge its existing rates and
24 charges per Decision No. 61739 within the extension area.

25 **CONCLUSIONS OF LAW**

26 1. Citizens is a public service corporation within the meaning of Article XV of the
27 Arizona Constitution and A.R.S. §§ 40-281, 40-282, and 40-285.

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

1 proceeding.

2 3. Citizens provided notice of this proceeding in accordance with the law.

3 4. There is a need for the provision of wastewater service to the public in the proposed
4 extension area as set forth in Exhibit A.

5 5. Staff's recommendations as set forth in Findings of Fact Nos. 20, 21, and 22 are
6 reasonable and should be adopted.

7 **ORDER**

8 IT IS THEREFORE ORDERED that the application of Citizens Communications Company
9 to extend its Certificate of Convenience and Necessity for wastewater service in certain areas in
10 Mohave County, Arizona as set forth in Exhibit A is hereby approved conditioned upon Citizens
11 Communications Company filing a copy of its Arizona Department of Environmental Quality's
12 Approval to Construct with the Commission within 365 days from the effective date of the
13 Commission's Decision.

14 IT IS THEREFORE ORDERED that the Commission's Decision covering the above-
15 referenced extension be deemed null and void without further Order of the Commission should
16 Citizens Communications Company fail to meet the above conditions within the time specified.

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IT IS THEREFORE ORDERED that Citizens Communications Company continue to charge its existing rates and charges per Decision No. 61739 within the extension area.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

		
CHAIRMAN	COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 30th day of March, 2000.


 BRIAN C. McNEIL
 EXECUTIVE SECRETARY

DISSENT _____
KEN:bbs

1 SERVICE LIST FOR: CITIZENS COMMUNICATIONS COMPANY

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EXHIBIT A

SECTIONS 24 AND 25, TOWNSHIP 19 NORTH, RANGE 22 WEST,
G&SRB&M, MOHAVE COUNTY, ARIZONA

