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BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

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CARL J. KUNASEK  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
WILLIAM A. MUNDELL  
COMMISSIONER

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF  
CHRISTOPHER CREEK HAVEN WATER  
COMPANY FOR APPROVAL OF THE SALE OF  
ASSETS AND TRANSFER OF CERTIFICATE OF  
CONVENIENCE AND NECESSITY TO PROVIDE  
WATER SERVICE.

DOCKET NO. W-03880A-00-0341  
W-01659A-00-0341

DECISION NO. 63200

OPINION AND ORDER

DATE OF HEARING: October 2, 2000  
PLACE OF HEARING: Phoenix, Arizona  
ADMINISTRATIVE LAW JUDGE: Alicia Grantham  
APPEARANCES: Mr. Carrol Powell, Christopher Creek Haven Water Company;  
Mr. Gerald Lenzion, JNJ Enterprises, LLC; and  
Mr. Robert J. Metli, Staff Attorney, Legal Division, on behalf of the Utilities Division of the Arizona Corporation Commission.

**BY THE COMMISSION:**

On May 16, 2000, Christopher Creek Haven Water Company ("Christopher Creek") filed an application with the Arizona Corporation Commission ("Commission") for approval of the sale of assets and transfer of Certificate of Convenience and Necessity ("Certificate") to JNJ Enterprises, LLC ("JNJ").

On August 29, 2000, the Commission's Utilities Division Staff ("Staff") filed its Staff Report in this matter.

Pursuant to the Commission's July 11, 2000 Procedural Order, the matter was scheduled for hearing on October 2, 2000.

Christopher Creek provided notice of the hearing to its customers and property owners in its

1 Certificated area by first class U.S. Mail in July 2000 and filed a Certification of Notification with the  
2 Commission on October 26, 2000.

3 On October 2, 2000, a full public hearing was held before a duly authorized Administrative  
4 Law Judge of the Commission at its offices in Phoenix, Arizona. Christopher Creek and JNJ  
5 appeared through their owners, Carrol Powell and Gerald Lenzion, respectively. Staff appeared  
6 with counsel. At the conclusion of the hearing, the matter was taken under advisement pending  
7 submission of a Recommended Opinion and Order to the Commission.

8 \* \* \* \* \*

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

11 **FINDINGS OF FACT**

12 1. Pursuant to authority granted by the Commission, Christopher Creek provides public  
13 water utility services to approximately 179 customers in Gila County, Arizona.

14 2. On May 3, 2000, Christopher Creek entered into a contract to sell its water utility  
15 assets and transfer its Certificate to JNJ. According to the contract, JNJ shall pay a purchase price of  
16 \$130,000 to Christopher Creek for its assets.

17 3. On May 16, 2000, Christopher Creek and JNJ filed an application requesting the  
18 Commission's authorization for the sale of assets and transfer of Certificate from Christopher Creek  
19 to JNJ.

20 4. Staff's Report states that the Arizona Department of Environmental Quality  
21 ("ADEQ") performed a plant inspection on November 19, 1996, and determined that major plant  
22 deficiencies existed with Christopher Creek's water system. ADEQ determined that the system was  
23 not in compliance with maximum contaminant level requirements of the Safe Drinking Water Act.  
24 On May 31, 2000, ADEQ wrote in a Memorandum that Christopher Creek has failed to conduct  
25 nitrate and nitrite analyses, failed to conduct asbestos analysis, failed to conduct lead and copper  
26 monitoring due in 1994, failed to conduct monitoring of inorganic chemicals, volatile organic  
27 chemical, and synthetic organic chemical, and has not provided two consecutive six-month  
28 monitoring periods of lead and copper analysis results. In addition, Christopher Creek has been

1 operating its system without ADEQ approval.

2 5. Christopher Creek stated at the hearing that the water system is now in compliance  
3 with ADEQ and that all testing has been performed.

4 6. The owner of JNJ has operated Christopher Creek since July 2000. In addition, the  
5 owner of JNJ is in the process of obtaining a degree in facilities maintenance, which includes  
6 working with pumps, hydraulics and filters. JNJ will retain Christopher Creek's certified water  
7 operator until such time as JNJ's owner becomes a certified water operator.

8 7. Christopher Creek provided notice of the proposed sale and transfer of Certificate to  
9 customers and property owners located in Christopher Creek's certificated area by first class U.S.  
10 Mail in July 2000 and filed an Affidavit of Notification, as a late filed exhibit, with the Commission  
11 on October 26, 2000. The Commission has received no customer complaints regarding the proposed  
12 sale and transfer.

13 8. Christopher Creek has no obligations for refunds due on main extension agreements  
14 or security deposits. In addition, all outstanding refunds on meter and service line installations will  
15 be assumed by JNJ.

16 9. Christopher Creek is current on its property and sales taxes.

17 10. Staff has recommended approval of Christopher Creek's application for the sale of the  
18 assets and transfer of its Certificate to JNJ.

19 11. Staff further recommended that Christopher Creek provide the Commission  
20 documentation that indicates that it is in compliance with ADEQ requirements and is providing water  
21 with no maximum contaminant level violations and meets the Safe Drinking Water Act within 120  
22 days from the effective date of this Decision.

23 12. Staff further recommended that the Commission's Decision covering the sale of assets  
24 and transfer of the Certificate of Convenience and Necessity to JNJ be considered null and void  
25 without further order from the Commission should Christopher Creek fail to meet the above  
26 condition.

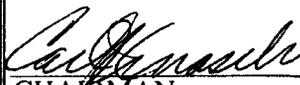
27 13. Staff further recommended that JNJ submit a copy of its operator certification to the  
28 Commission prior to becoming JNJ's certified operator.



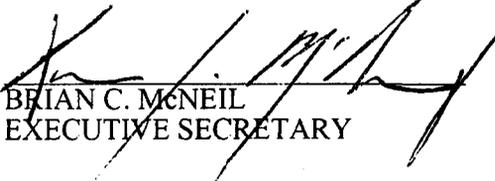
1 IT IS FURTHER ORDERED that JNJ Enterprises, LLC shall charge Christopher Creek  
2 Haven Water Company's existing rates and charges until further order of the Commission.

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

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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7 CHAIRMAN COMMISSIONER COMMISSIONER  
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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 30<sup>th</sup> day of November 2000.

13   
14 BRIAN C. McNEIL  
15 EXECUTIVE SECRETARY

16 DISSENT \_\_\_\_\_  
17 AG:bbs

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SERVICE LIST FOR:

CHRISTOPHER CREEK HAVEN WATER  
COMPANY AND JNJ ENTERPRISES, LLC

DOCKET NOS.

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Gerald Lenzion  
JNJ ENTERPRISES, LLC  
2303 E. Heatherbrae Dr.  
Phoenix, Arizona 85016

Carrol Powell  
CHRISTOPHER CREEK HAVEN WATER COMPANY  
3033 N. Gilbert Rd.  
Mesa, Arizona 85203

Lyn Farmer, Chief Counsel  
Legal Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

Deborah Scott, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007