



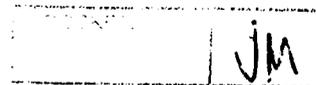
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BEFORE THE ARIZONA CORPORATION COMMISSION

DUPLICATE

NOV 13 2000

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



IN THE MATTER OF THE APPLICATION OF
THIM UTILITY COMPANY (THREE POINTS
DIVISION) FOR AN EXTENSION OF ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY.

DOCKET NO. W-03293A-00-0365

DECISION NO. 63155

OPINION AND ORDER

DATE OF HEARING: October 5, 2000
PLACE OF HEARING: Tucson, Arizona
ADMINISTRATIVE LAW JUDGE: Jane L. Rodda
APPEARANCES: Robin Thim, President, on behalf of Thim Utility Company; and
Devinti Williams, Staff Attorney, Arizona Corporation Commission on behalf of the Utilities Division.

BY THE COMMISSION:

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. Thim Utility Company (Three Points Division) ("TUC" or "Company") provides water utility service to approximately 279 customers in and around the area known as Three Points in Pima County, Arizona.
2. On May 30, 2000, TUC filed an application to extend its Certificate of Convenience and Necessity ("CC&N" or "Certificate") to include an additional 3/4 of a section of land, comprised of a private master planned community currently in the planning stages.
3. On June 29, 2000, the Commission's Utilities Division Staff ("Staff") filed a sufficiency letter indicating that the application was sufficient.
4. By Procedural Order dated July 14, 2000, the Commission set the matter for hearing at its offices in Tucson, Arizona on October 5, 2000.

1 5. Staff filed its Staff Report on September 11, 2000, in which it recommended approval
2 of the application.

3 6. On July 26, 2000, TUC provided notice of the hearing by publishing in a newspaper of
4 general circulation within its service area.

5 7. Ken Jacobson, the developer of the planned community requested that TUC provide
6 water service to a new development, which at build-out, is expected to consist of 654 single family
7 homes, 96 duplexes, a motel and several businesses and an 18 hole golf course.

8 8. The proposed extension area is approximately 1 1/2 mile west of TUC's Three Points
9 Division service area. TUC would serve the extension area by constructing a water system consisting
10 of three wells, four 10,000 gallon pressure tanks, two 500,000 gallon storage tanks and a distribution
11 system. The developer would finance construction of the facilities. Engineering Staff believes that
12 the proposed construction costs of \$950,000 are reasonable.

13 9. TUC is in compliance with the Commission's filing requirements and is current on all
14 property and sales taxes.

15 10. The Arizona Department of Environmental Quality ("ADEQ") reports that TUC is in
16 violation of its regulations for failing to submit chemical analysis testing and consequently cannot
17 make a determination that the Company is delivering water that meets the quality standards of the
18 Safe Drinking Water Act.

19 11. As of the date of the hearing, TUC had not provided a copy of the developer's
20 Certificate of Assured Water Supply nor a copy of the developer's ADEQ Certificate of Approval to
21 Construct.

22 12. As of the date of the hearing, TUC had not submitted a copy of its franchise from
23 Pima County for the proposed extension area.

24 13. At the hearing, TUC's president testified that it was in process of clearing up the
25 ADEQ violations.

26 14. Staff recommended that:

27 (a) The Commission condition approval of the application on TUC filing copies of the
28 developer's Certificate of Assured Water Supply and Approval to Construct within 365 days of the

1 effective date of this Decision;

2 (b) The Commission condition approval on TUC's Three Points Division being in
3 compliance with the quality standards of the Safe Drinking Water Act by December 31, 2000;

4 (c) TUC file a copy of its Pima County franchise within 365 days of the effective date
5 of this Decision;

6 (d) This Decision covering the extension area be considered null and void without
7 further order from the Commission should TUC fail to meet the above conditions; and

8 (e) TUC charge its existing rates and charges within the extension area.

9 15. Staff's recommendations set forth in the preceding Finding of Fact are reasonable,
10 except that testimony at the hearing indicated that the developer may not start construction within the
11 next year and that providing TUC 18 months to provide copies the Certificate of Assured Water
12 Supply and Approval to Construct may be a more realistic and reasonable time period. Staff did not
13 oppose granting the Company an additional 6 months to provide these documents.

14 **CONCLUSIONS OF LAW**

15 1. TUC is a public service corporation within the meaning of Article XV of the Arizona
16 Constitution and A.R.S. §§ 40-281 and 40-282.

17 2. The Commission has jurisdiction over TUC and the subject matter of the application.

18 3. Notice of the application was provided in accordance with law.

19 4. There is a public need and necessity for water service in the proposed extension area
20 as set forth in Exhibit A.

21 5. As conditioned herein TUC is a fit and proper entity to receive a Certificate to provide
22 water service in the proposed service area.

23 6. The recommendations contained in Findings of Fact Nos. 14 and 15 are reasonable
24 and should be adopted.

25 **ORDER**

26 IT IS THEREFORE ORDERED that the application of Thim Utility Company for an
27 extension of its Certificate of Convenience and Necessity to provide water service to the area in Pima
28 County, Arizona, described in Exhibit A hereto, is approved conditioned upon Thim Utility Company

1 providing a copy of the developer's Certificate of Assured Water Supply, Approval to Construct and
2 Pima County franchise within 18 months of the effective date of this Decision.

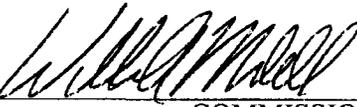
3 IT IS FURTHER ORDERED that the approval granted herein is further conditioned upon
4 Thim Utility Company providing documentation from the Arizona Department of Environmental
5 Quality that its Three Points Division is providing water that meets the quality standards of the Safe
6 Drinking Water Act by December 31, 2000.

7 IT IS FURHTER ORDERED that the approval granted herein shall be null and void without
8 further order of the Commission in the event Thim Utility Company fails to meet the above
9 conditions or receive approval of an extension within the time specified.

10 IT IS FURTHER ORDERED that Thim Utility Company shall charge its existing rates and
11 charges within the extension area.

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

13 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

14
15  CHAIRMAN
16  COMMISSIONER
17  COMMISSIONER

18 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
19 Secretary of the Arizona Corporation Commission, have
20 hereunto set my hand and caused the official seal of the
21 Commission to be affixed at the Capitol, in the City of Phoenix,
22 this 16TH day of NOVEMBER, 2000.

23 
BRIAN C. McNEIL
EXECUTIVE SECRETARY

24 DISSENT _____
25 JR:dap

1 SERVICE LIST FOR:

THIM UTILITY COMPANY

2 DOCKET NO.

W-03293A-00-0365

3 Mr. Robin Thim, President

4 Thim Utility Co.

5 P.O. Box 13145

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11 Phoenix, Arizona 85007

12 Deborah Scott, Director

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EXHIBIT A
DOCKET NO. W-3293-00-365
LEGAL DESCRIPTION OF EXTENSION AREA

Sections located in Township 15 South, Range 11 East; Township 16 South, Range 9 East; and Township 16 South, Range 10 East, of the Gila and Salt River Base and Meridian, Pima County, Arizona, further described as follows:

Township 15 South, Range 11 East

All of Section 7

Township 16 South, Range 9 East

SE $\frac{1}{4}$ of Section 13
NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 13
N $\frac{1}{2}$ of NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 13
N $\frac{1}{2}$ of NW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 13
SE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 13
NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 13

Township 16 South, Range 10 East

SW $\frac{1}{4}$ of Section 6
W $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 6
W $\frac{1}{2}$ of NE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 6

NW $\frac{1}{4}$ of Section 7
W $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 7
W $\frac{1}{2}$ of NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 7
W $\frac{1}{2}$ of NW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 7

W $\frac{1}{2}$ of W $\frac{1}{2}$ of Section 18
SE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 18
NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 18
SE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 18

SW $\frac{1}{4}$ of Section 24
W $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 24
SE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 24
W $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 24
SW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 24