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BEFORE THE CORPORATION COMMISSION
Arizona Corporation Commission

DOCKETED

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JIM IRVIN
Commissioner-Chairman
TONY WEST
Commissioner
CARL J. KUNASEK
Commissioner

IN THE MATTER OF MT. TIPTON WATER
COMPANY INC., APPLICATION FOR AN
EMERGENCY WATER CURTAILMENT

DOCKET NO. W-02105A-99-0126

DECISION NO. 61608

ORDER

Open Meeting
March 30 and 31, 1999
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Mt. Tipton Water Company, Inc. (Mt. Tipton or Company), is a public service corporation which provides water utility service to the public in the Dolan Springs area of Mohave County in the State of Arizona.

2. On July 16, 1998, the Arizona Corporation Commission (Commission) approved, in Decision No. 60989, an emergency curtailment plan for Mt. Tipton. This curtailment expired on October 1, 1998.

3. On March 4, 1999, the Company again filed for an emergency curtailment plan.

4. Mt. Tipton is requesting that the Commission approve an emergency plan for 1999 that is identical to the one approved in Decision No. 60989.

5. For the past several years, Mt. Tipton has had water shortages during the summer months due to lack of water production.

6. Mt. Tipton has claimed, in the past, that one of the primary reasons for its water shortage has been a lack of storage.

7. Staff has been in total disagreement with this. The reason is that during the summer months, Mt. Tipton could not fill the 186,000 gallons of storage capacity on the system. Adding more storage would have provided Mt. Tipton with just another empty storage tank(s).

1 8. Since Decision No. 60989 was issued by the Commission, Mt. Tipton has added
2 one more well, the Chambers Well, to its system.

3 9. Mt. Tipton states that the Chambers Well presently produces 42 gallons per minute
4 (gpm).

5 10. According to the Water Use Data Sheet submitted by the Company, this gives it a
6 total water production capacity of 144 gpm.

7 11. According to this same Water Use Data Sheet, this provides the Company with
8 enough water production to serve over 700 connections.

9 12. The Company reports that it presently has 608 connections.

10 13. The Company is in the process of trying to connect another well, the Detriatal
11 Well, to its system.

12 14. The Company will have to acquire a large amount of financing (perhaps \$500,000
13 or more) in order to connect this well to the system, because it is more than eight miles away.

14 15. The Detriatal well is a large producer (over 250 gpm) and should be a very reliable
15 source.

16 16. Several years ago, Mt. Tipton had the opportunity to acquire and connect to the
17 neighboring water company, Dolan Springs Water Company, Inc. (Dolan Springs).

18 17. Due to personality differences between the Mt. Tipton Board of Directors and the
19 owners of Dolan Springs, this culminated in Dolan Springs successfully suing Mt. Tipton and
20 several of its Directors for damages.

21 18. Staff has always been of the opinion that the interconnection of these two systems
22 would be very beneficial to Mt. Tipton to help it with its water production.

23 19. Based on its review of Mt. Tipton's application, the history of water production
24 shortage for the Company, and Mt. Tipton's poor and untimely attempts in obtaining new water
25 sources, Staff believes that Mt. Tipton's application for an emergency curtailment order should be
26 granted identical to the one granted in Decision No. 60989, with the following modifications:

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a. The curtailment plan should not have an expiration date, but instead Mt. Tipton should be required to file a tariff that lists all the conditions and requirements outlined in Decision No. 60989. Once this tariff is approved by Staff, the Company should incorporate it into its permanent Emergency Plan that is required by the Arizona Department of Environmental Quality. The Company could curtail water usage per the conditions in the tariff.

b. Anytime a curtailment was implemented per the tariff, the Company would not be allowed to connect new services or extend new mains. At all other times there would be no moratorium on main extensions or meter connections, unless imposed by separate order of this Commission or some other State agency having the authority to impose such moratoriums.

20. In addition, Staff recommends that if Mt. Tipton does not obtain additional water production as needed to serve growth, the Commission should order Staff to file an Order to Show Cause against Mt. Tipton to have Mt. Tipton show why it should not be fined and/or have other appropriate sanctions imposed against it.

CONCLUSIONS OF LAW

1. Mt. Tipton Water Company, Inc., is a public service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

2. The Commission has jurisdiction over Mt. Tipton Water Company, Inc. and over the subject matter of the application.

3. The Commission, having reviewed the application and Staff's Memorandum dated March 17, 1999, concludes that it is in the public interest to approve the curtailment plan as recommended by Staff.

ORDER

THEREFORE, IT IS ORDERED that the application of the Mt. Tipton Water Company, Inc., for a water curtailment plan be, and is hereby approved as recommended by Staff.

IT IS FURTHER ORDERED that Mt. Tipton Water Company, Inc., shall comply with Finding of Fact No. 19.

IT IS FURTHER ORDERED that Mt. Tipton Water Company, Inc., shall obtain new water production sources in a timely manner, as needed, to accommodate growth.

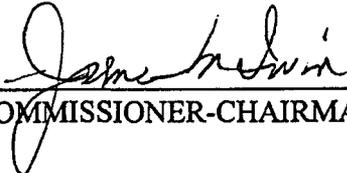
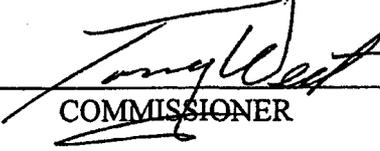
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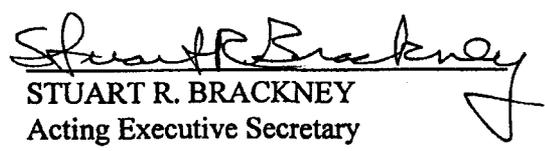
IT IS FURTHER ORDERED that if Staff determines that Mt. Tipton Water Company, Inc., is not obtaining additional water sources in a timely manner, Staff shall file an Order to Show Cause requiring Mt. Tipton Water Company, Inc., to demonstrate why it should not be fined and/or have other sanctions imposed against it.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

		
COMMISSIONER-CHAIRMAN	COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, STUART R. BRACKNEY, Acting Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 1 day of April, 1999.


 STUART R. BRACKNEY
 Acting Executive Secretary

DISSENT: _____

RTW:SMO:lh