

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER



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AZ CORP COMMISSION
DOCUMENT CONTROL

DATE: SEPTEMBER 18, 2001

#64093

DOCKET NO: W-01944A-01-0400

TO ALL PARTIES:

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

LAGO DEL ORO WTER COMPANY
(CC&N EXTENSION)

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:

SEPTEMBER 27, 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:

OCTOBER 2, 2001 AND OCTOBER 3, 2001

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

Arizona Corporation Commission

DOCKETED

SEP 18 2001

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BRIAN C. McNEIL
EXECUTIVE SECRETARY

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BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

IN THE MATTER OF THE APPLICATION OF
LAGO DEL ORO WATER COMPANY FOR AN
FOR AN EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY.

DOCKET NO. W-01944A-01-0400

DECISION NO. _____

OPINION AND ORDER

DATE OF HEARING: August 1, 2001
PLACE OF HEARING: Phoenix, Arizona
ADMINISTRATIVE LAW JUDGE: Mr. Stephen Gibelli
APPEARANCES: Mr. James Poulos, General Manager, on behalf of Lago Del Oro Water Company;
Ms. Teena Wolfe, Staff Attorney, Legal Division, on behalf of the Utilities Division of the Arizona Corporation Commission.

BY THE COMMISSION:

On May 10, 2001, Lago Del Oro Water Company ("Lago" or "Applicant") filed with the Arizona Corporation Commission ("Commission") an application for approval to extend its Certificate of Convenience and Necessity ("Certificate") to provide water service for property in Pinal County, Arizona.

On May 23, 2001, Commission Staff filed a sufficiency letter indicating that Lago's application has met the sufficiency requirements per Commission rules.

On May 30, 2001, a Procedural Order was issued setting the matter for hearing on August 1, 2001.

On June 5, 2001, a Procedural Order was issued requiring a Staff Report to be filed by July 11, 2001, and any response from Lago to the Staff Report to be filed by July 25, 2001.

On June 7, 2001, Lago filed an Affidavit of Mailing to indicate that all of its customers were notified of the proposed extension.

1 On June 20, 2001, the Commission's Utilities Division Staff ("Staff") filed a Staff Report in
2 this matter.

3 On August 1, 2001, a full public hearing was convened before a duly authorized
4 Administrative Law Judge of the Commission at its offices in Phoenix, Arizona. At the conclusion
5 of the hearing, the matter was taken under advisement pending submission of a recommended
6 Opinion and Order to the Commission.

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

9 **FINDINGS OF FACT**

10 1. Lago is an Arizona corporation that provides water utility service to approximately
11 3,000 customers in the master planned community of SaddleBrooke, approximately 25 miles north of
12 Tucson, Arizona. Lago also serves 1,500 customers in its Catalina system.

13 2. On May 10, 2001, Lago filed an application for an extension of its existing Certificate
14 to provide water service to approximately 300 acres of property, which is more accurately described
15 in Exhibits A and B.

16 3. The area for which Lago is requesting a Certificate is expected to serve approximately
17 770 residential units in SaddleBrooke.

18 4. On June 7, 2001, Lago filed an Affidavit of Publication and certification that it had
19 provided notice of the application and hearing thereon pursuant to the terms of the Procedural Order.

20 5. On June 30, 2001, Staff filed its Staff Report in this matter recommending approval of
21 the application. The Staff Report recommends approval of the application subject to the condition
22 that:

- 23 a) Lago charge its existing rates and charges in the proposed extension
24 area;
- 25 b) Lago file copies of its Arizona Department of Environmental Quality
26 ("ADEQ") Approvals to Construct for facilities within the extension
27 area for the subject facilities; and,
- 28 c) Lago file a copy of the associated City and County franchise
agreements within 365 days of the effective date of the Decision in this
matter.

1 extension of its Certificate of Convenience and Necessity to include the area described in Exhibits A
2 and B attached hereto and incorporated herein by reference be, and is hereby granted.

3 IT IS FURTHER ORDERED that Lago Del Oro Water Company shall charge its existing
4 rates and charges in the extension area until further Order of the Commission.

5 IT IS FURTHER ORDERED that Lago Del Oro Water shall file its ADEQ Certificates of
6 "Approval to Construct" within 365 days of the effective date of this Decision.

7 IT IS FURTHER ORDERED that Lago Del Oro Water Company shall file a copy of its City
8 and County franchises within 365 days of the effective date of this Decision.

9 IT IS FURTHER ORDERED that in the event Lago Del Oro Water Company fails to meet
10 the above conditions within the time specified, then such area for which it has applied for an
11 extension of its Certificate of Convenience and Necessity shall be deemed to be denied, without
12 further Order of the Arizona Corporation Commission.

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

14 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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17 CHAIRMAN

COMMISSIONER

COMMISSIONER

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

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BRIAN C. McNEIL
EXECUTIVE SECRETARY

DISSENT _____
SG:mj

1 SERVICE LIST FOR:

LAGO DEL ORO WATER COMPANY

2 DOCKET NO.:

W-01944A-01-0400

3

4 Jim Poulos, General Manager
Lago Del Oro Water Company
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5 Sun Lakes, Arizona 85248

6

7 Christopher Kempley, Chief Counsel
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10 Steve Olea, Acting Director
Utilities Division
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11 1200 West Washington Street
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EXHIBIT A

LEGAL DESCRIPTION

SADDLEBROOKE PHASE 3
ADDITIONAL STATE LAND (296.29 ACRES)

November 22, 2000

Those parcels of land in Sections 33 and 34, Township 10 South, Range 14 East, Gila & Salt River Base & Meridian, in an unincorporated area of the County of Pinal, State of Arizona, described as follows:

PARCEL 1

A parcel of land in the Southwest quarter of said Section 34, described as follows:

BEGINNING at the Northwest corner of said Southwest quarter;

THENCE Easterly along the Northerly line of said Southwest quarter South 89°08'17", East a distance of 681.01 feet to the Westerly line of land described in State of Arizona Commercial Lease Permit No. 03-98637

THENCE Southerly along said Westerly line and the Southerly prolongation thereof South 01°03'27" West a distance of 2,653.78 feet to South line of Section 34;

THENCE Westerly along the Southerly line of said Southwest quarter North 88°21'55" West a distance of 680.12 feet to the Westerly line of said Southwest quarter;

THENCE Northerly along said Westerly line of the Southwest quarter North 01°02'15" East a distance of 2,644.60 feet to the Point of Beginning.

PARCEL 2

A parcel of land in the Southeast quarter of said Section 33, described as follows:

BEGINNING at the Northeast corner of said Southeast quarter;

THENCE Southerly along the Easterly line of said Southeast quarter South 01°02'15" West a distance of 2,644.60 feet to the South line of said Section 33;

THENCE along the Southerly line of said Southeast quarter North 89°41'37" West a distance of 2,668.97 feet to the Southwest corner of said Southeast quarter;

THENCE Northerly along said Westerly line North 01°15'42" East a distance of 2,655.86 feet to the Northwest corner of said Southeast quarter;

THENCE Easterly along the Northerly line of said Southeast quarter South 89°27'15" East a distance of 2,658.46 feet to the Point of Beginning.

LEGAL DESCRIPTION

SADDLEBROOKE PHASE 3
ADDITIONAL STATE LAND (296.29 ACRES) (Cont.)

November 22, 2000

PARCEL 3

A parcel of land in the West half of said Section 33, described as follows:

BEGINNING at the Center of said Section 33;

THENCE Southerly along the Easterly line of said West half South 01°15'42" West a distance of 2,655.86 feet to South line of Section 33;

THENCE Westerly along the Southerly line of said West half North 89°30'16" West a distance of 1,992.67 feet;

THENCE Northeasterly along the following courses, being the approximate center of the Twenty-Seven Wash;

North 52°02'38" East a distance of 422.02 feet;

North 19°34'32" East a distance of 713.30 feet;

North 07°14'43" West a distance of 374.16 feet;

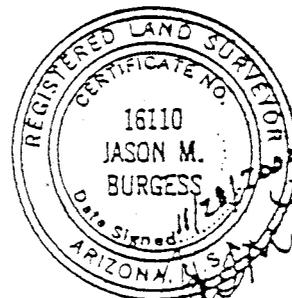
North 27°35'26" East a distance of 693.86 feet;

North 25°02'25" East a distance of 804.03 feet;

North 44°33'25" East a distance of 1,261.13 feet to said Easterly line of the West half;

THENCE Southerly along said Easterly line South 01°15'42" West a distance of 907.08 feet to the Point of Beginning.

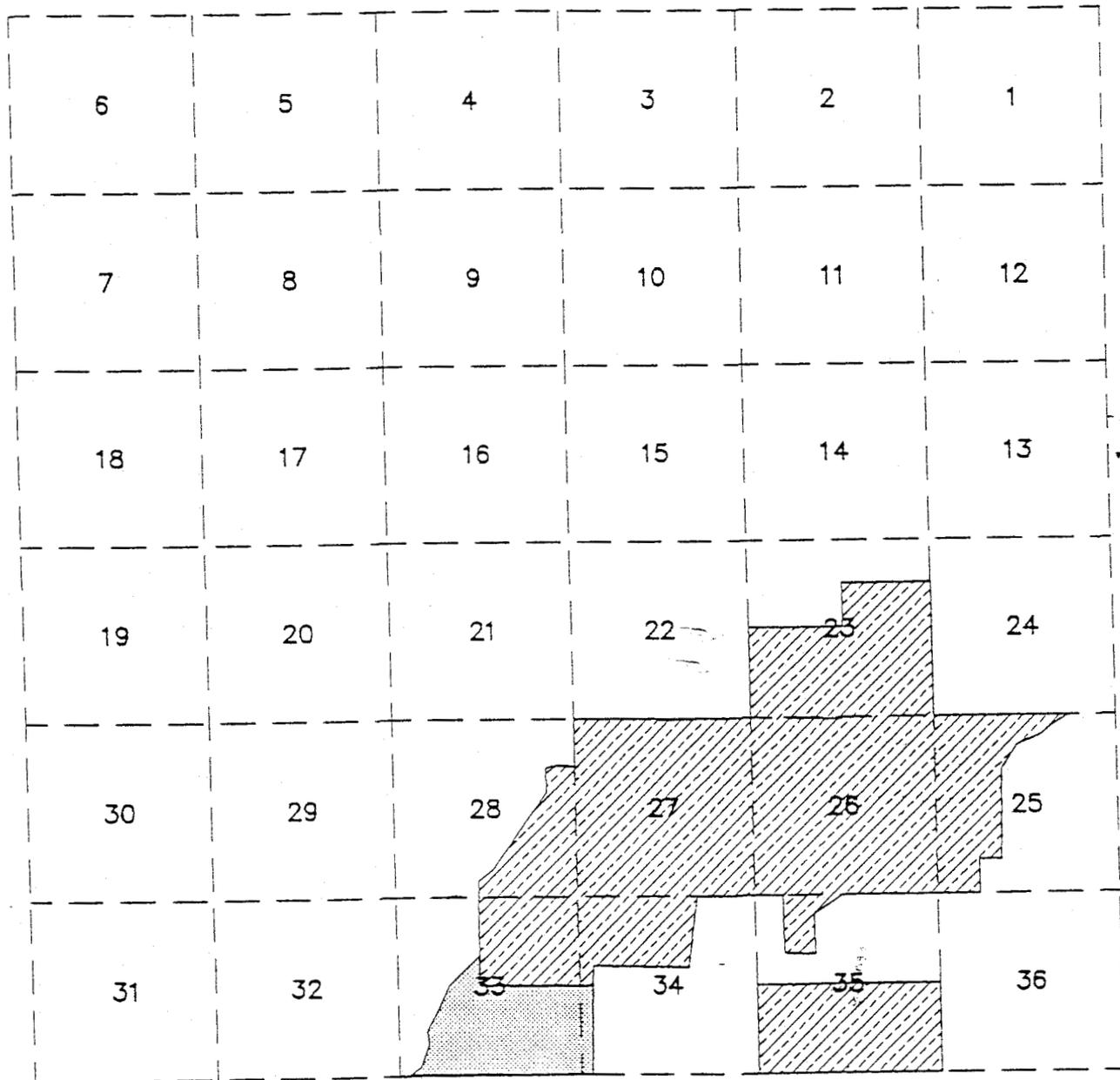
All of the above-described Additional State Land parcels combined contain 296.29 acres, more or less.



Jason M. Burgess

LAGO DEL ORO WATER COMPANY WATER CC&N MAP

COUNTY: PINAL
RANGE 14 EAST



EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY



PROPOSED AREA

DECISION NO. _____