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BEFORE THE ARIZONA CORPORATION COMMISSION

NOV 29 2001

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2 WILLIAM A. MUNDELL
CHAIRMAN
3 JIM IRVIN
COMMISSIONER
4 MARC SPITZER
COMMISSIONER
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6 IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY FOR AN
7 EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY.

DOCKET NO. W-01445A-01-0496

DECISION NO. 64231

OPINION AND ORDER

8
9 DATE OF HEARING: October 3, 2001
10 PLACE OF HEARING: Phoenix, Arizona
11 ADMINISTRATIVE LAW JUDGE: Stephen Gibelli¹
12 APPEARANCES: Mr. Robert W. Geake, Vice President and General
13 Counsel, on behalf of Arizona Water Company; and
14 Mr. Jason D. Gellman, Attorney, Legal Division, on
behalf of the Arizona Corporation Commission Utilities
Division Staff.

15 **BY THE COMMISSION:**

16 On July 19, 2001, Arizona Water Company ("AWC") filed with the Arizona Corporation
17 Commission ("Commission") an application for an extension of its existing Certificate of
18 Convenience and Necessity ("CC&N") for its Superior system in Pinal County.

19 * * * * *

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

22 **FINDINGS OF FACT**

23 1. AWC is an Arizona corporation certificated by the Commission to provide water
24 service within portions of Gila, Navajo, Cochise, Maricopa, Pima, Yavapai, Coconino and Pinal
25 counties, Arizona.

26 2. On July 19, 2001, AWC filed an application requesting the extension of its current
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28 ¹ The hearing was held by Administrative Law Judge Gibelli. Administrative Law Judge Wolfe wrote the Recommended Opinion and Order.

1 Arizona ("Application"). The proposed extension area is described in Exhibit A, attached hereto and
2 included herein by reference.

3 3. On July 18, 2001, the Commission's Utilities Division Staff ("Staff") notified AWC
4 that the Application met the sufficiency requirements of A.A.C. R14-2-402(C).

5 4. On July 30, the Commission issued a Procedural Order establishing a procedural
6 schedule and setting this matter for hearing on October 3, 2001.

7 5. On August 30, 2001, AWC filed in this docket a Certificate of Publication.

8 6. AWC published notice of the hearing in the Superior Sun newspaper on August 22,
9 2001.

10 7. AWC mailed a copy of the public notice of hearing to all the property owners in the
11 proposed CC&N extension area by First Class United States Mail on July 5, 2001.

12 8. Staff filed its Staff Report on the Application on August 31, 2001, in which Staff
13 recommended that the Commission approve the Application, and that AWC be ordered to charge its
14 existing rates and charges in the extension area.

15 9. No intervention requests were filed.

16 10. A hearing was held on October 3, 2001, and AWC presented evidence in support of
17 the Application.

18 11. AWC currently has a 12-inch water line that interconnects its Florence Junction
19 CC&N territory, located on the western boundary of the proposed extension area, and its Town of
20 Superior service territory, located on the eastern boundary of the proposed extension area.

21 12. AWC is currently providing service from the 12-inch water line to four commercial
22 customers in the requested extension area.

23 13. AWC has received additional requests for service within the proposed extension area.

24 14. There are no other public service corporations or municipally owned water systems
25 authorized to provide or providing service in the proposed extension area.

26 15. AWC has adequate production and storage facilities to serve its existing customers
27 and the anticipated additional customers in the extension area, and is financially capable of
28 constructing, operating and maintaining any additional facilities necessary to provide service to the

1 extension area.

2 16. AWC is currently delivering water that meets the Arizona Department of
3 Environmental Quality's Safe Drinking Water Act requirements.

4 17. AWC is in compliance with the regulations of the Arizona Department of Water
5 Resources.

6 18. AWC holds a Pinal County franchise for the proposed extension area.

7 19. AWC is current on its property and sales taxes.

8 20. AWC is current with Commission filing requirements.

9 21. Staff testified that approval of the Application would serve the public interest.

10 **CONCLUSIONS OF LAW**

11 1. AWC is a public service corporation within the meaning of Article XV of the Arizona
12 Constitution and A.R.S. § 40-281 *et seq.*

13 2. The Commission has jurisdiction over AWC and the subject matter of the Application.

14 3. Notice of the Application was provided as required by law.

15 4. AWC is a fit and proper entity to receive an amended CC&N that encompasses the
16 proposed extension area.

17 5. The public convenience and necessity require the extension of AWC's CC&N to
18 include the proposed extension area.

19 **ORDER**

20 IT IS THEREFORE ORDERED that the application of Arizona Water Company for an
21 extension of its Certificate of Convenience and Necessity to include the area described in Exhibit A
22 attached hereto and incorporated herein by reference be, and hereby is, approved.

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1 IT IS FURTHER ORDERED that Arizona Water Company shall charge its existing rates and
2 charges for its Superior system in the extension area.

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

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

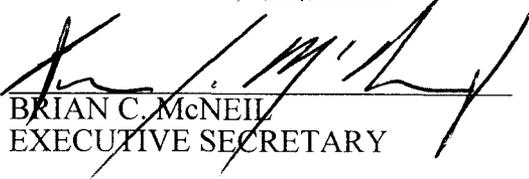
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7 CHAIRMAN COMMISSIONER COMMISSIONER

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9 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
10 Secretary of the Arizona Corporation Commission, have
11 hereunto set my hand and caused the official seal of the
12 Commission to be affixed at the Capitol, in the City of Phoenix,
13 this 29TH day of November, 2001.

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16 BRIAN C. McNEIL
17 EXECUTIVE SECRETARY

18 DISSENT _____

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1 SERVICE LIST FOR: ARIZONA WATER COMPANY

2 DOCKET NO.: W-01445A-01-0496

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EXHIBIT A

PARCEL 1

Sections 32, 33, 34, 35, & 36 of Township 1 South, Range 11 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

PARCEL 2

Sections 31, 32, & 33 of Township 1 South, Range 12 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

PARCEL 3

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 17, & 18 of Township 2 South, Range 11 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

PARCEL 4

Sections 5, 6, 7, & 8 of Township 2 South, Range 12 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.