

WILLIAM A. MUNDELL  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
MARC SPITZER  
COMMISSIONER

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EXECUTIVE SECRETARY

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ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
DOCUMENT CONTROL

DATE: JANUARY 11, 2002

DOCKET NO: W-02104A-01-0742

TO ALL PARTIES:

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

VOYAGER WATER 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:

JANUARY 22, 2002

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:

JANUARY 29, 2002 and JANUARY 30, 2002

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

Arizona Corporation Commission

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BRIAN C. McNEIL  
EXECUTIVE SECRETARY

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 WILLIAM A. MUNDELL  
CHAIRMAN  
3 JIM IRVIN  
COMMISSIONER  
4 MARC SPITZER  
COMMISSIONER  
5

6 IN THE MATTER OF THE APPLICATION OF  
VOYAGER WATER COMPANY FOR AN  
7 EXTENSION OF THE SERVICE AREA UNDER  
ITS EXISTING CERTIFICATE OF  
8 CONVENIENCE AND NECESSITY TO PROVIDE  
WATER UTILITY SERVICES.

DOCKET NO. W-02104A-01-0742

DECISION NO. \_\_\_\_\_

9 **OPINION AND ORDER**

10 DATE OF HEARING: December 10, 2001

11 PLACE OF HEARING: Phoenix, Arizona

12 ADMINISTRATIVE LAW JUDGE: Teena Wolfe

13 APPEARANCES: Mr. Douglas G. Lemke, BROWN & BAIN, PA on  
14 behalf of Applicant Voyager Water Company; and

15 Mr. Stephen Gibelli, Staff Attorney, Legal Division, on  
16 behalf of the Utilities Division of the Arizona  
Corporation Commission.

17 **BY THE COMMISSION:**

18 On September 19, 2001, Voyager Water Company ("Voyager" or "Applicant") filed with the  
19 Arizona Corporation Commission ("Commission") an application for approval to extend its service  
20 area under its existing Certificate of Convenience and Necessity ("Certificate") to provide water  
21 utility service in Pima County, Arizona.

22 Voyager caused notice of its application to be published in the Daily Territorial on September  
23 24, 2001.

24 On October 31, 2001, a Procedural Order was issued setting the matter for hearing on  
25 December 10, 2001 and ordering that notice of the hearing be mailed to all property owners in the  
26 proposed extension area.

27 On November 16, 2001, Voyager filed a Certificate of Mailing verifying that it mailed notice  
28 of the application and of the hearing to each property owner in the affected area.

1 No requests for intervention or objections to the application were filed.

2 On December 7, 2001, the Commission's Utilities Division Staff ("Staff") filed a Staff Report  
3 in this matter.

4 On December 10, 2001, a public hearing was convened before a duly authorized  
5 Administrative Law Judge of the Commission at its offices in Phoenix, Arizona. Applicant and Staff  
6 entered appearances through counsel. No members of the public appeared to provide public  
7 comment.

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

10 **FINDINGS OF FACT**

11 1. Voyager is an Arizona corporation that provides water utility service to a portion of  
12 Pima County, Arizona. Voyager was granted its Certificate in Decision No. 53284 (November 9,  
13 1982). Voyager currently provides water utility service to approximately 253 customers in its  
14 existing certificated area, which is located near I-10 and Kolb Road in Pima County.

15 2. On September 19, 2001, Voyager filed an application requesting that its water utility  
16 service area be extended to include a contiguous area in the section directly south of Voyager's  
17 existing certificated area. The requested extension area consists of two parcels totaling 270 acres,  
18 and is more accurately described in Exhibit A, attached hereto and included herein by reference.

19 3. On October 3, 2001, Voyager filed an affidavit of publication certifying that notice of  
20 its application was published in the Daily Territorial on September 24, 2001.

21 4. On October 31, 2001, a Procedural Order was issued setting the matter for hearing on  
22 December 10, 2001.

23 5. On November 16, 2001, Voyager filed a Certificate of Mailing, indicating that it  
24 provided all property owners in the proposed extension area notification of the application, and of the  
25 hearing on the application, by First Class U.S. Mail on November 13, 2001.

26 6. No intervention requests or objections to the application were filed.

27 7. On December 7, 2001, Staff filed its Staff Report in this matter recommending  
28 Commission approval of the application with the following conditions:

- 1 a) that Voyager be required to charge its existing rates and charges in the  
2 proposed extension area;
- 3 b) that Voyager be required to file in this docket, within 365 days of the date of a  
4 Decision in this matter, a copy of each developer's Certificate of 100 Year  
5 Assured Water Supply issued by the Arizona Department of Water Resources  
6 ("ADWR"); and
- 7 c) that Voyager be required to file in this docket, within 365 days of the date of a  
8 Decision in this matter, a copy of the Approval to Construct issued by the  
9 Arizona Department of Environmental Quality ("ADEQ") for each  
10 development in the extension area.

11 8. A public hearing on the application was held on December 10, 2001, as scheduled.

12 9. Voyager has received requests from two developers to extend water utility service to  
13 their parcels of land located in the proposed extension area. One request is from Diamond Ventures,  
14 Inc. ("Diamond"), for its 226 acre parcel, and one is from an affiliate of Voyager, Voyager RV  
15 Resort, LLC ("Voyager RV"), for its 64 acre parcel.

16 10. Voyager's current water utility system includes three wells with a total production  
17 capacity of 1,950 gallons per minute, and 400,000 gallons of storage capacity.

18 11. Staff's analysis shows that Voyager currently has sufficient production and storage  
19 capacity to serve its existing 253 customers and an additional 1,200 customers.

20 12. Voyager's application estimates adding 1,150 residential customers and one  
21 commercial customer in the extension area in the next five years. At the hearing, Voyager's  
22 President testified that in order to serve those new customers, Voyager plans to add 350,000 gallons  
23 of additional storage capacity, upgrade its booster stations and add transmission mains.

24 13. Voyager plans to finance the necessary system upgrades by means of main extension  
25 agreements with Diamond and Voyager RV (collectively, "Developers").

26 14. At the time the application was filed, Voyager planned to require the Developers to  
27 obtain their own Certificates of Assured Water Supply ("CAWS") from ADWR. At the hearing,  
28 Voyager's President testified that Voyager now intends to apply to ADWR for a Designation of  
Assured Water Supply ("Designation") for the entire requested extension area, and that if it obtains  
the Designation, there will be no need for the Developers to obtain any CAWS. Voyager's President  
testified that if Voyager is unsuccessful in obtaining a Designation, it will require the Developers to

1 obtain their own CAWS.

2 15. There are no other public service corporations or municipally owned water systems  
3 authorized to provide or providing service in the proposed extension area.

4 16. Voyager's current Pima County franchise includes the requested extension area.

5 17. Voyager is current on its property and sales taxes.

6 18. Voyager is current on all of its filings with the Commission and is in compliance with  
7 all Commission orders.

8 19. Voyager is in compliance with ADEQ regulations and is delivering water that meets  
9 safe drinking water quality standards.

10 20. Staff believes that approval of the application would serve the public interest.

11 21. Staff's recommendations in Findings of Fact No. 7 are reasonable.

12 **CONCLUSIONS OF LAW**

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

15 2. The Commission has jurisdiction over Voyager and the subject matter of the  
16 application.

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

18 4. There is a public need and necessity for water utility services in the proposed  
19 extension area.

20 5. Voyager is a fit and property entity to receive an extension of its certificated water  
21 utility service area to include the area more fully described in Exhibit A attached hereto.

22 **ORDER**

23 IT IS THEREFORE ORDERED that the application of Voyager Water Company for an  
24 extension of the service area under its Certificate of Convenience and Necessity to include the area  
25 described in Exhibit A attached hereto and incorporated herein by reference be, and is hereby  
26 approved, subject to the condition of Voyager's timely filing the compliance documentation  
27 described in the two following Ordering Paragraphs.

28 IT IS FURTHER ORDERED that Voyager Water Company shall file with the Director of the

1 Commission's Utilities Division, within 365 days of the date of a Decision in this matter, copies of  
2 either: 1) Certificates of Assured Water Supply issued by the Arizona Department of Water  
3 Resources covering the entire requested extension area, or 2) a Designation of Assured Water Supply  
4 issued by the Arizona Department of Water Resources for the entire requested extension area.

5 IT IS FURTHER ORDERED that Voyager shall file in this docket, within 365 days of this  
6 Decision, a copy of the Approvals to Construct issued by the Arizona Department of Environmental  
7 Quality for the water utility system improvements necessary to serve the Diamond Ventures, Inc.  
8 development and the Voyager RV Resort, LLC development in the extension area.

9 IT IS FURTHER ORDERED that in the event Voyager Water Company fails to timely file  
10 the above-described compliance documentation, then Voyager Water Company's application for an  
11 extension of its Certificate of Convenience and Necessity shall be deemed denied, without further  
12 Order of the Arizona Corporation Commission.

13 IT IS FURTHER ORDERED that Voyager Water Company shall charge its existing rates and  
14 charges in the approved extension area.

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

16 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

17  
18  
19 CHAIRMAN

COMMISSIONER

COMMISSIONER

20  
21 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive  
22 Secretary of the Arizona Corporation Commission, have  
23 hereunto set my hand and caused the official seal of the  
24 Commission to be affixed at the Capitol, in the City of Phoenix,  
25 this \_\_\_\_ day of \_\_\_\_\_, 2002.

26 \_\_\_\_\_  
27 BRIAN C. McNEIL  
28 EXECUTIVE SECRETARY

26 DISSENT \_\_\_\_\_  
27 TW:dap

1 SERVICE LIST FOR:

VOYAGER WATER COMPANY

2 DOCKET NO.:

W-02104A-01-0742

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9 Christopher Kempley, Chief Counsel  
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13 Phoenix, Arizona 85007

14 Ernest G. Johnson, Director  
15 Utilities Division  
16 ARIZONA CORPORATION COMMISSION  
17 1200 West Washington Street  
18 Phoenix, Arizona 85007

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**EXHIBIT A****LEGAL DESCRIPTION**Parcel 1

The East 3360.00 feet of the North 830.00 feet of Section 32, Township 15 South, Range 15 East, of the Gila and Salt River Meridian, Pima County, Arizona.

Parcel 2

A parcel of land located in Section 32, Township 15 South, Range 15 East, Gila and Salt River Meridian, Pima County, Arizona, more particularly described as follows:

Beginning at the Northwest Corner of Section 32,

Thence South  $89^{\circ} 51' 27''$  East, along the North line of said Section 32, a distance of 1923.63 feet,

Thence South  $00^{\circ} 01' 00''$  West, a distance of 830.00 feet,

Thence South  $89^{\circ} 51' 27''$  East, a distance of 3360.00 feet to the East line of said Section 32,

Thence South  $00^{\circ} 01' 00''$  West, along the East line a distance of 1803.47 feet, to the East Quarter Corner,

Thence continuing South  $00^{\circ} 01' 00''$  West along the East line a distance of 593.05 Feet,

Thence North  $89^{\circ} 51' 27''$  West, a distance of 630.00 feet,

Thence North  $63^{\circ} 16' 58''$  West, a distance of 541.24 feet,

Thence North  $66^{\circ} 16' 07''$  West, a distance of 501.00 feet,

Thence North  $84^{\circ} 54' 10''$  West, a distance of 513.99 feet,

Thence North  $77^{\circ} 32' 53''$  West, a distance of 559.62 feet,

Thence North  $62^{\circ} 55' 35''$  West, a distance of 516.57 feet,

Thence North  $48^{\circ} 05' 05''$  West, a distance of 467.74 feet,

Thence North  $57^{\circ} 39' 22''$  West, a distance of 546.31 feet,

Thence North  $63^{\circ} 01' 41''$  West, a distance of 471.41 feet,

Thence North  $71^{\circ} 43' 26''$  West, a distance of 727.29 feet,

**DECISION NO.** \_\_\_\_\_

Thence North  $89^{\circ} 58' 16''$  West, a distance of 272.53 feet, to the West line of said Section 32,

Thence North  $00^{\circ} 01' 44''$  East, along the West line of said Section 32, a distance of 1344.92 feet, to the point of beginning.

DECISION NO. \_\_\_\_\_