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BEFORE THE ARIZONA CORPORATION COMMISSION

2571

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

IN THE MATTER OF THE APPLICATION OF
UTILITY SOURCE, L.L.C. FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER AND
WASTEWATER SERVICE IN COCONINO
COUNTY, ARIZONA.

DOCKET NO. WS 0235A-05-0707

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FOURTH
PROCEDURAL ORDER

BY THE COMMISSION:

On October 6, 2005, Utility Source, L.L.C. ("Company" or "Applicant"), filed an application for an extension of its Certificate of Convenience and Necessity ("Certificate") with the Arizona Corporation Commission ("Commission") to provide public water and wastewater utility service to various parts of Coconino County, Arizona.

On November 3, 2005, pursuant to A.A.C. R14-2-411(C) and A.A.C. R14-2-610(C), the Commission's Utilities Division ("Staff") issued a notice of insufficiency.

On February 10, 2006, Staff issued a notice of sufficiency.

On February 17, 2006, by Procedural Order, a hearing was scheduled for April 26, 2006, filing dates established and the Company was ordered to provide public notice.

On March 31, 2006, the Company filed an affidavit that it had mailed notice of the proceeding to property owners in the extension area.

On April 7, 2006, Bellemont Development Company ("BDC") filed an application to intervene in the proceeding. No objections were filed to BDC's request.

On April 18, 2006, by Procedural Order, BDC was granted intervention.

On April 26, 2006, a full public hearing was convened before a duly authorized Administrative Law Judge of the Commission at its offices in Phoenix, Arizona. Applicant, BDC and Staff appeared with counsel. No one appeared to make public comment. Instead of an evidentiary hearing, a procedural conference was conducted.

1 Due to the fact that the Company had failed to comply with Decision No. 67446 (January 4,
2 2005) wherein the Commission ordered the Company to apply for an "extension of its CC&N once it
3 had secured (emphasis added) adequate water supplies for the "Phase II" area in accordance with
4 ADWR requirements, the proceeding was continued. Additionally, the time-clock was suspended
5 until such time as the Company secured the required ADWR documentation after which the
6 proceeding was to be rescheduled and public notice given in accordance with the Commission's
7 February 17, 2006, Procedural Order, which required notice to not only be mailed to property owners
8 in the extension area, but also to Applicant's customers and also required the Company to publish
9 notice of the proceeding at least once in a newspaper of general circulation in Applicant's service
10 territory.

11 On April 28, 2006, by Procedural Order, the proceeding was continued and the time-clock
12 suspended. The Company was also required to file documentation issued by ADWR to establish
13 whether Applicant has adequate water to serve the extension area as ordered by Decision No. 67446.
14 It was further ordered that after the ADWR documentation was filed, the proceeding would be
15 rescheduled for hearing after public notice is provided consistent with the rescheduling.

16 On May 23, 2006, the Company filed an Amended Application stating that it had secured a
17 determination of Physical Availability Demonstration ("PAD") in the form of an ADWR letter which
18 was attached as an exhibit. Applicant indicated that the water supply was insufficient to serve the
19 originally requested extension area and has amended its Application by deleting a parcel from its
20 original request. Other issues were also addressed in the Amended Application including the issue of
21 public notice. Applicant has partially complied with the Commission's February 17, 2006,
22 Procedural Order by mailing notice of the proceeding to property owners in the initial proposed
23 extension area and by publishing notice of the proceeding in a newspaper of general circulation in the
24 proposed extension area on March 4, 2006. A copy of the Affidavit of Publication was filed as an
25 exhibit to the Amended Application. However, there is no evidence that the Company mailed notice
26 of the proceeding to customers as ordered by the Commission in its February 17, 2006 Procedural
27 Order.

28 Accordingly, the proceeding shall be rescheduled for hearing after Staff has sufficient time to

1 review the Amended Application, and to file an Amended Staff Report. Further, public notice of the
2 proceeding should be completed by mailing notice of the rescheduled proceeding to customers, and to
3 the affected property owner of the one parcel deleted from the original extension request, and the
4 time-clock should remain suspended.

5 IT IS THEREFORE ORDERED that a **hearing** shall commence on **July 24, 2006, at 9:30**
6 **a.m.**, or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street,
7 Phoenix, Arizona 85007.

8 IT IS FURTHER ORDERED that the Amended Staff Report and associated exhibits to be
9 presented at hearing on behalf of Staff shall be reduced to writing and filed on or before 4:00 p.m. on
10 June 23, 2006.

11 IT IS FURTHER ORDERED that any objections to the Amended Staff Report and associated
12 exhibits to be presented at hearing by Applicant shall be reduced to writing and filed on or before
13 4:00 p.m. on July 5, 2006.

14 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
15 except that all motions to intervene must be filed on or before July 14, 2006.

16 IT IS FURTHER ORDERED that Applicant shall provide public notice of the hearing in this
17 matter, in the following form and style:

18 **PUBLIC NOTICE OF THE HEARING FOR**
19 **UTILITY SOURCE, L.L.C. FOR AN EXTENSION OF ITS**
20 **CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE**
21 **WATER AND WASTEWATER SERVICE**
22 **(WS-02435A-05-0707)**

23 On October 6, 2005, Utility Source, L.L.C. ("Applicant") filed an application for an
24 extension of its CC&N to various parts of Coconino County, Arizona. On May 23,
25 2006, Applicant amended its application and deleted a parcel from its original
26 application.

27 The application is available for inspection during regular business hours at the offices
28 of the Commission in Phoenix, at 1200 West Washington Street, Phoenix, Arizona
and at the Applicant's office, [insert office address]] and on the internet via the
Commission website (www.azcc.gov) using the e-docket function.

The Commission will hold a hearing on this matter commencing on July 24, 2006, at
9:30 a.m., at the Commission's offices, 1200 West Washington Street, Phoenix,
Arizona. Public comments will be taken on the first day of the hearing.

The law provides for an open public hearing at which, under appropriate

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circumstances, interested parties may intervene. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written motion to intervene with the Commission, which motion should be sent to Applicant or its counsel and to all parties of record, and which, at the minimum, shall contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer of Applicant, a shareholder of Applicant, a competitor, etc.).
3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before July 14, 2006. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any customer from appearing at the hearing and making a statement on such customer's own behalf.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may write the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000 or appear at the hearing and make comment.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Linda Hogan, ADA Coordinator, voice phone number 602/542-3931, E-mail lhogan@cc.state.az.us. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that Applicant shall cause the above notice to be mailed to all customers and the owner of the parcel being deleted from the originally requested extension area, with notice to be completed no later than July 3, 2006.

IT IS FURTHER ORDERED that Applicant shall file certification of notice as soon as practicable after the mailing has been completed.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing of same, notwithstanding the failure of an individual customer to read or receive the notice.

IT IS FURTHER ORDERED that the time-clock shall remain suspended.

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...

1 IT IS FURTHER ORDERED that the presiding Administrative Law Judge may rescind, alter,
2 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by
3 ruling at hearing.

4 Dated this 30TH day of May, 2006



MARC E. STERN
ADMINISTRATIVE LAW JUDGE

7 Copies of the foregoing mailed/delivered
8 this 30 day of May, 2006 to:

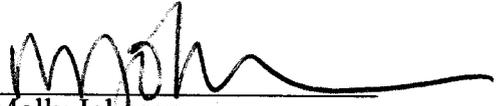
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Phoenix, Arizona 85004-1126

22 By: 
23 Molly Johnson
24 Secretary to Marc E. Stern

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