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2002 JUN -6 P 3:15

AZ CORP COMMISSION
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

1
2 WILLIAM A. MUNDELL
3 CHAIRMAN
4 JIM IRVIN
5 COMMISSIONER
6 MARC SPITZER
7 COMMISSIONER

Arizona Corporation Commission

DOCKETED

JUN 06 2002

DOCKETED BY *ncw*

8 IN THE MATTER OF THE APPLICATION)
9 OF BELLA VISTA WATER CO., INC., AN)
10 ARIZONA CORPORATION TO) DOCKET NO. W-02465A-01-0776
11 DETERMINE THE FAIR VALUE OF ITS)
12 PROPERTIES FOR RATEMAKING) BELLA VISTA WATER CO., INC.'S
13 PURPOSES, TO FIX A JUST AND) REQUEST TO VACATE MAY 31, 2002
14 REASONABLE RATE OF RETURN) PROCEDURAL ORDER
15 THEREON, AND TO APPROVE RATE)
16 SCHEDULES AND TARIFFS DESIGNED)
17)

18 Bella Vista Water Co., Inc. (the "Company") hereby respectfully requests
19 the May 31, 2002 Procedural Order requiring a separate public comment meeting to be
20 conducted on July 18, 2002 in the above-referenced matter be vacated. A separate public
21 comment meeting in Sierra Vista is unnecessary and will create undue expenditures and
22 inconvenience for the parties.

23 A. A Separate Public Comment Session is Unnecessary and Unduly Costly.

24 On April 12, 2002, the Company requested the rate hearing be conducted in
25 Sierra Vista. Staff opposed moving the hearing to Sierra Vista based upon convenience
26 and costs associated with traveling the additional 90-miles to Sierra Vista versus holding
the hearing in the City of Tucson, but suggested a separate public comment meeting be
conducted in Sierra Vista.

The suggestion of Staff to hold a public comment meeting in Sierra Vista
was inconsistent with the Company's intention to hold such a meeting. In fact, in its

1 initial notice regarding the filing of its Application for rate adjustment, the Company set
2 forth its intent to conduct a Customer Night. See, Affidavit of Judy Gignac dated
3 December 20, 2001 regarding mailing of notice in this matter, attached as Exhibit A. The
4 Company intended to combine the public comment meeting with its Customer Night.
5 The Company, however, held its Customer Night on May 15, 2002 at 7:00 p.m. at the
6 Windemere Hotel. Notice of the Customer Night was provided in a separate mailing to
7 all customers as part of the Company's April 2002 newsletter. See, Exhibit B, attached
8 hereto. The Company also provided a separate notice of the Customer Night on the
9 comment line of those billings prepared in early May. Only two customers chose to
10 attend the Customer Night and neither objected to the Company's proposed rates.
11

12 While the Company questions whether the underlying concerns expressed
13 by Staff are significant as it relates to the actual hearing,¹ those concerns certainly do
14 apply to conducting a separate public comment meeting in Sierra Vista. Unlike the
15 hearing itself, where everyone is traveling anyway, a separate comment meeting held in
16 Sierra Vista will require significant additional travel time and costs. The Company's
17 consultants and members of Staff will need to travel to Sierra Vista on a separate day.
18 Instead of adding 90 minutes of travel time (one way), a separate comment meeting will
19 require almost 4 hours of travel time (one way from Phoenix). It will also require the
20 Company to secure and pay for a meeting place and to pay for a separate notice. Such an
21 expense is undue and unnecessary since the Company, on its own, already provided its
22 customers the opportunity to discuss the rate proceeding.
23

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26

1 Most Staff, RUCO and Company witnesses will be traveling from Phoenix to Tucson for the hearing. The additional 90 miles would only add 1 ½ hours to the travel time.

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Based upon the foregoing, the Company believes that the cost of conducting yet another opportunity for the customers to comment on the rate application is not worth the time and effort involved.

B. Conclusion

While the Company believes it still appropriate to hold the actual public hearing in Sierra Vista, the Company opposes conducting a separate public comment meeting in Sierra Vista and respectfully requests that the Administrative Law Judge vacate the May 31, 2002 Procedural Order and eliminate the requirement that a separate public comment meeting be conducted in Sierra Vista on July 18, 2002.

Respectfully submitted this 6th day of June, 2002.

MARTINEZ & CURTIS, P.C.

By: 

William P. Sullivan, Esq.
Paul R. Michaud, Esq.
2712 North Seventh Street
Phoenix, Arizona 85006-1090
Attorneys for Applicants

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PROOF OF
AND CERTIFICATE OF MAILING

I hereby certify that on this 6th day of June, 2002, I caused the foregoing document to be served on the Arizona Corporation Commission by hand-delivering the original and ten (10) copies of the above to:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

With copies of the foregoing hand-delivered this 6th day of June, 2002 to:

Lyn Farmer
Chief Administrative Law Judge
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ernest Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Christopher Kempley, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

With copies of the foregoing mailed this 6th day of June, 2002 to:

Jane L. Rodda, Administrative Law Judge
Arizona Corporation Commission
400 West Congress
Tucson, Arizona 85701-1347

Ron Kozoman, CPA
1605 West Mulberry Drive
Phoenix, Arizona 85015

Judith Gignac
Bella Vista Water Co., Inc.
Post Office Box 1150
Sierra Vista, Arizona 85636-1150

Scott S. Wakefield, Chief Counsel
Residential Utility Consumer Office
2828 North Central Avenue, Suite 1200
Phoenix, Arizona 85004
Intervenor

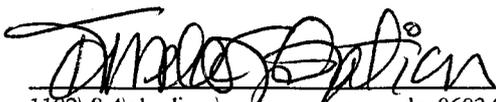
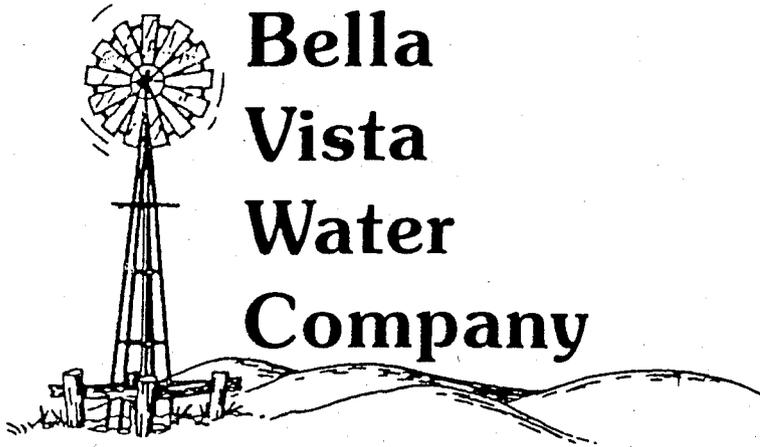

1102-8-4\pleadings\req to vacate pro order.0603.02

EXHIBIT A



Bella Vista Water Company

RECEIVED

2001 DEC 26 P 2:21

AZ CORP COMMISSION
4055 CAMPUS DR. • SIERRA VISTA, ARIZONA 85635
P.O. BOX 1150 • SIERRA VISTA, ARIZONA 85636-1150
PHONE (520) 458-5470 • FAX (520) 459-6680

December 20, 2001

Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: Bella Vista Water Co., Inc. - Application for Rate Increase
Docket No W-02465A-01-0776

To Whom It May Concern:

The attached notice was mailed to all customers of the Bella Vista Water Co., Inc. on December 20, 2001, via the U.S. Postal Service.

Yours truly,

Judith A. Gignac
Vice President

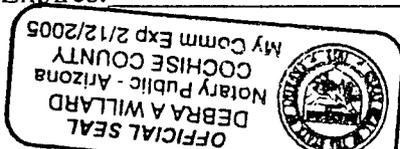
Enclosure: Copy of Notification

STATE OF ARIZONA)
) ss.
COUNTY OF Cochise)

SUBSCRIBED AND SWORN TO before me this 20th day of December, 2001, by Judith A. Gignac, Vice President of Bella Vista Water Co., Inc.

Debra A. Willard
Notary Public

My Commission Expires: _____





Bella Vista Water Company

4055 CAMPUS DR. • SIERRA VISTA, ARIZONA 85635
P.O. BOX 1150 • SIERRA VISTA, ARIZONA 85636-1150
PHONE (520) 458-5470 • FAX (520) 459-6680

December 2001

Dear Customer:

On the back side of this letter you will find the official Public Notice of Hearing on the Rate Application of Bella Vista Water Company as required by the Arizona Corporation Commission.

Bella Vista Water has filed for a rate increase that will add approximately \$4.00 per month to the average residential bill. In addition we are requesting other increases relating to "bounced checks," penalties for damage to meters such as broken seals, and other items. A detailed listing of the several rate changes will be published in a newsletter in the next couple of months.

No one likes rate/price increases, however, it is necessary for Bella Vista to watch our expenses and our revenues carefully in order to ensure our customers that we can continue to provide you with high quality water and efficient services. To do this we must make certain that our revenues which are set by the Corporation Commission are adequate to meet our expenses. We are also charged with ensuring that our shareholders realize a fair return on their investment.

Besides providing you with greater detail on the proposed rates in the spring newsletter, we will also be inviting you to a *Customers' Night* where we will try to answer your questions.

Cordially,

A handwritten signature in cursive script, appearing to read "Judith A. Gignac".

Judith A. Gignac
Vice President/General Manager

PUBLIC NOTICE OF HEARING ON THE
RATE APPLICATION OF
BELLA VISTA WATER COMPANY

On September 28, 2001, Bella Vista Water Company, Inc. ("Company") filed an application with the Arizona Corporation Commission for a 20 percent increase in revenues. The actual percentage rate increase for individual customers will vary depending upon the type and quantity of service provided. Copies of the Company's application and proposed tariffs are available at its office and the Commission's offices for public inspection during regular business hours.

The Commission will hold a hearing on this matter beginning July 25, 2002, at 10:00 a.m. at the Commission's offices, Room 222, 400 West Congress Street, Tucson, 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 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 the Company 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 the Company, a stockholder of the Company, 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 March 30, 2002. 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 prelude any customer from appearing at the hearing and making a statement on such customer's own behalf.

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 Shelly Hood, ADA Coordinator, voice phone number 602-542-3931, e-mail shood@cc.state.az.us. Requests should be made as early as possible to allow time to arrange the accommodation.

Water Source

Volume 9 Issue 1

A Newsletter to the Customers of Bella Vista Water Company

National Drinking Water Week Approaching. Rate Case Hearing Scheduled.

BY JUDY GIGNAC

Inside this Issue!

In this issue, we'll continue our series *Groundwater Protection Begins At Home* and discuss the proper handling, storage and disposal of chemical fertilizers and pesticides. Plus, we'll give you something to think about the next time you grab your garden hose.

Also included are the latest water usage numbers...are thanks and congratulations due all around? Why don't you take a quick look and see how we're all doing!

Earth Day events generally take place around April 22. National Drinking Water Week follows soon after, taking place from May 5 through 11. We think both of these conservation efforts are very important to all of us, and are pleased to be able to give you a "heads up" for their upcoming dates. There are also a couple of web sites we recommend taking a look at:

National Drought Mitigation Center at www.drought.unl.edu
Niagara Conservation at www.niagaraconservation.com

Both should provide you with some information that will be helpful to your understanding of water issues around the country, as well as provide you with conservation awareness specials if you are interested.

As you can see from this newsletter, our customers have been doing a wonderful job of conserving water (See page 3). Hopefully, this information will help you continue that practice.

Status of our Rate Case

In our last newsletter we made you aware of our pending rate case with the Arizona Corporation Commission. You should also have received a letter and notification of the application, as well as the date and time of the hearing.

To refresh your memory, the Commission has scheduled the hearing for July 25, 2002 at 10am at the Commission hearing room in Tucson. The address is 400 W. Congress Street, Room 222. It is possible that the hearing could be moved to Sierra Vista. We'll keep you advised on that.

As we have done in the past, we are holding a Customer's Night to provide you the opportunity to learn more about the rate case and to voice your opinions. Customer Night will be held:

Wednesday, May 15, 2002
7:00pm
Windemere Hotel
State Highway 92

We sincerely hope you can attend and look forward to seeing you there!

**The Commission has
scheduled our rate case
hearing for July 25, 2002 at
the Commission hearing
room, 400 W. Congress St.,
Room 222, in Tucson.**

GROUNDWATER PROTECTION... BEGINS AT HOME!

Part 4: Fertilizers and Pesticides

In many places around your home right now, you probably have any number of common household items that contain hazardous and/or toxic substances. When these common items are disposed of improperly, they can cause serious damage to our groundwater supply. The U.S. Environmental Protection Agency estimates that the average American disposes of approximately one pound of such waste each year!

You wouldn't think that fertilizers could pose a hazard to our water supply, but many chemical fertilizers contain large amounts of phosphorus and nitrogen that, when used improperly, can leach into the ground and enter the aquifer. Excessive nitrogen - or phosphorus - in our ground water can prove a hazard.

Whenever possible, use a safer alternative, like organic compost material instead of chemical fertilizers.

Extra care must be taken when using, storing or disposing of chemical pesticides as well. Remember, many contain hazardous chemicals designed to kill insects and rodents. Some are also harmful to humans and pets. Exposure to such chemicals can result in both immediate and long-term health effects.

Contact the Cochise County Solid Waste Transfer Station at 452-9805 for more information on how to properly dispose of hazardous waste.

Next Issue:
Kitchen and Bath Products

Caution!

Your hose could be hazardous to your health!

A man sprays commercial weed killer on his lawn using a garden hose attachment. After he finishes, he disconnects the applicator. It is a hot day, so he takes a refreshing drink of water from the hose.

A short time later he dies of arsenic poisoning.

What happened?

At some time while the man was spraying weed killer, water pressure dropped, which resulted in the poison being sucked back into the hose. Later, when he drank from the hose, the poison inside was released with the water. The man unknowingly poisoned himself.

Protect yourself and your family! Know the danger!

When water flows backward through the water supply system it's called "backsiphonage" or "backflow." When that water is accidentally mixed with hazardous chemicals or bacteria, it's called "dangerous!"

The danger comes when the hose - any hose - is connected to harmful substance. If the pressure in a water main drops while your hose is connected to a chemical sprayer of some kind (or submerged in a bucket or tub), hazardous chemicals or polluted water could be sucked back into your hose, your pipes, your drinking water supply. Water pressure drops are not uncommon. They can happen for a variety of reasons and you can't always tell when they've happened.

Be extra careful when you're using chemicals to fertilize your grass or treat your landscaping for weeds or insects. Here are some tips to help you keep your drinking water, yourself and your family safe:

Never submerge hoses in buckets, pools, tubs, or sinks.

Always keep the end of the hose clear of possible contaminants.

Do not use spray attachments without a backflow prevention device. The chemicals you spray can be toxic and harmful or fatal if ingested.

Do buy and install inexpensive backflow prevention devices for all threaded faucets around your home.

Water Proverb!

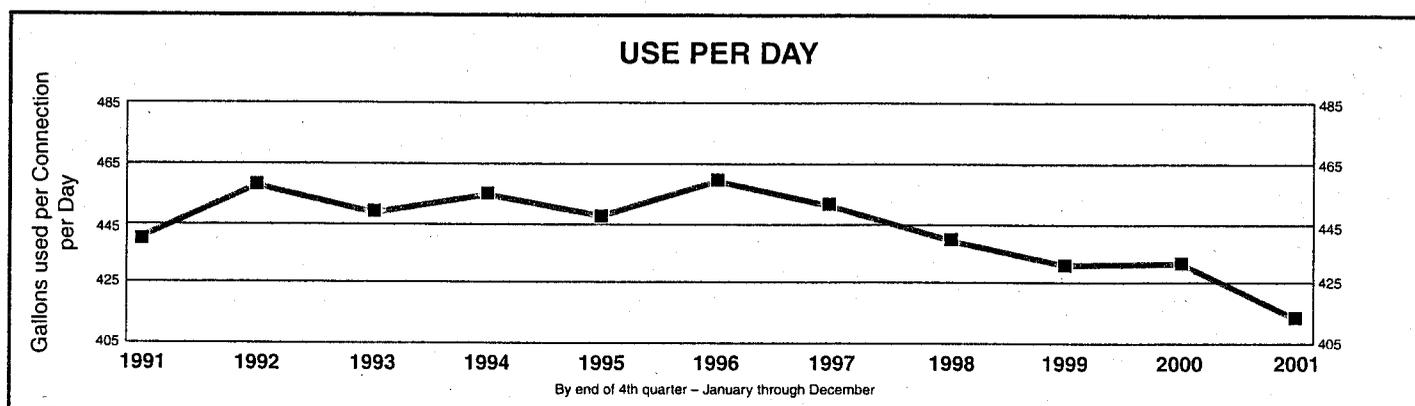
No snowflake ever falls in the wrong place.

(Zen Proverb)

Water Usage Per Connection!

The final water usage numbers for last year are in, and guess what? Once again, you all need to be congratulated!

The chart below shows our average annual gallons of water used per connection per day for the past 10 years. As you can easily see, from 1996 on, you have all done a remarkable job in reducing your water usage and helping us save our most valuable natural resource. It should be noted that when we say "average water usage per connection," we mean **all our connections**. These numbers include residential, commercial, industrial and educational customers. You have all done a magnificent job! Let's keep up the great work!



The numbers below show the average number of gallons used per day per connection for the last 10 years.

1992 - 459	1993 - 449	1994 - 452	1995 - 448	1996 - 458
1997 - 451	1998 - 441	1999 - 430	2000 - 432	and for 2001...414

On our web site there is a far more complete breakdown of water usage for all our customers. It shows which months have heaviest water usage and which months of the year water usage is lightest. It also shows total gallons per month per year for the last 11 years. Visit our web site soon. You'll find the information we've provided there very interesting.

For more complete information on water usage, as well as important updates and status reports on current facilities upgrading projects, take a moment and visit our web site at www.bellavistawater.com

Customer Night is Coming!

Don't forget! Customer Night is scheduled for:

Wednesday, May 15, 2002

7:00pm

Windemere Hotel on State Highway 92

Please join us! We look forward to seeing you there!

In our next issue...

Part Four of our series...

Protecting our Groundwater Begins at Home: "Kitchen and Bath Products"

Water-Saving Tips and Tricks

Did you know...?

DID YOU KNOW?

- ... that Sam Collins, a Texas pipeline builder, was the first individual to extract diamonds on a commercial scale from the seabeds of South Africa's "Forbidden Coast"?
- ... that early missionaries ended the 1,000-year-old sport of surfing when they arrived on Oahu and Maui in 1821? The sport was not revived until after World War 2, when it was recognized as a major asset to the islands' tourist economy.
- ... that the word "hurricane" comes from the Spanish?

This newsletter is offered as a service to our customers. If you have any questions or comments about any of the material in this issue, or ideas or suggestions for future issues, we'd love to hear from you. Please address them to:

Judy Gignac
Bella Vista Water Company
4055 Campus Drive
Sierra Vista AZ 85635
(520) 458-5470
www.bellavistawater.com

Or email them to: jgignac@mindspring.com

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