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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF
BEAVER DAM WATER COMPANY FOR
DELETION OF A PORTION OF ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY IN MOHAVE COUNTY, ARIZONA.

DOCKET NO. W-03067A-04-0216

IN THE MATTER OF THE APPLICATION OF
SUNRISE UTILITIES, L.L.C. FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER AND
WASTEWATER SERVICE IN MOHAVE
COUNTY, ARIZONA.

DOCKET NO. WS-04247A-04-0604

PROCEDURAL ORDER

BY THE COMMISSION:

On March 23, 2004, Beaver Dam Water Company ("BDWC") filed with the Arizona Corporation Commission ("Commission") an application requesting the deletion of a small portion of its certificated service area in Mohave County, Arizona. Concurrently with BDWC's filing, Sunrise Utilities, L.L.C. ("Sunrise") filed an application for a Certificate of Convenience and Necessity ("Certificate") with the Commission to provide public water and wastewater utility service to various parts of Mohave County, Arizona, which includes the area included in BDWC's application for deletion.

On October 25, 2005, the Commission issued Decision No. 68247 approving both applications with certain conditions, including that Sunrise be required to file a copy of the Arizona Department of Environmental Quality's ("ADEQ") Certificate of Approval to Construct ("CAC") its arsenic treatment facilities by October 31, 2005.

On November 22, 2005, Sunrise filed a request for retroactive approval for an extension of time of two years, until October 31, 2007, to file a copy of the ADEQ's CAC because additional testing was required to determine whether arsenic removal was needed. The request also stated that

1 the legal descriptions on Exhibit B attached to the Decision was mislabeled and requested that a
2 revised legal description which was included with Sunrise's request replace the original Exhibit B.

3 On November 23, 2005, by Procedural Order, Staff was ordered to file a response by
4 December 9, 2005.

5 On December 9, 2005, Staff filed a response to Sunrise's request for a two year extension of
6 time for testing to determine whether arsenic removal was needed and for approval to replace Exhibit
7 B to Decision No. 68247 with a correctly labeled Exhibit B. Staff agreed to the replacement of
8 Exhibit B to Decision No. 68247 with the correctly labeled Exhibit B. However, Staff disagreed with
9 the requested two year extension of time in which Sunrise was to file a copy of its CAC for arsenic
10 facilities, if necessary, and recommended an extension of time be limited to one year from the date of
11 the Decision (October 25, 2006) to show Staff an indication that Sunrise would fulfill a bona fide
12 need for service.

13 On December 14, 2005, by Procedural Order, it was ordered Nunc Pro Tunc that Exhibit B to
14 Decision No. 68247 should be replaced with the correctly labeled Exhibit B attached to the
15 Procedural Order and Sunrise was granted a one year extension of time from the date of the Decision,
16 until October 25, 2006, to file a copy of its ADEQ CAC for arsenic treatment facilities, if necessary,
17 to provide water service.

18 On October 4, 2006, Sunrise filed with the Director of the Commission's Utilities Division
19 documentary evidence that it does not require arsenic treatment facilities and a request for an
20 additional year, until October 25, 2007, to file the following:

- 21 • a copy of the franchise from Mohave County for the certificated service
area for water and wastewater;
- 22 • a copy of the ADEQ CAC public water facilities;
- 23 • a copy of the developers' Letter(s) of Adequate Water Supply; and
- 24 • a copy of the Letter of Intent and/or Aquifer Protection Permit issued by ADEQ.

25 On November 7, 2006, Staff filed its response and recommended approval of Sunrise's request
26 for an extension because it appeared that there was a need for service. Staff further indicated in its
27 response that "Attached to the letter was evidence that the water quality did not necessitate arsenic
28 treatment facilities."

1 On November 28, 2006, by Procedural Order, the request of Sunrise was granted for an
2 extension of one year, until October 25, 2007, to file copies of the following: a copy of the Mohave
3 County franchise for the certificated service area for water and wastewater; a copy of the ADEQ
4 Certificate of Approval to Construct public water facilities; a copy of the developers' Letter(s) of
5 Adequate Water Supply; and a copy of the Letter of Intent and/or Aquifer Protection Permit issued by
6 ADEQ.

7 On January 25, 2007, Sunrise filed a copy of its franchise issued by Mohave County.

8 On October 12, 2007, Sunrise updated the information in their October 3, 2006 request, and
9 further requested an additional twelve month extension of time to comply with Decision No. 68247,
10 until October 25, 2008, to file copies of the following: a copy of the ADEQ Certificate of Approval to
11 Construct public water facilities; a copy of the developers' Letter(s) of Adequate Water Supply; and a
12 copy of the Letter of Intent and/or Aquifer Protection Permit issued by ADEQ.

13 On January 29, 2008, Staff filed a memorandum which indicates that Staff does not oppose
14 the additional request for an extension of time, until October 25, 2008, in which to file the required
15 documents. Staff further indicated that it believes that it has seen "no Commission ruling on the
16 Company assertion that the ATC on arsenic treatment facilities was no longer necessary and this item
17 therefore remains outstanding."

18 On February 5, 2008, the Company's attorney filed a copy of his October 3, 2006, letter
19 which had been docketed on October 4, 2006, on behalf of Sunrise with an attached lab report from
20 Del Mar Analytical which found that Sunrise's water contains 8.3 parts per billion ("ppb") of arsenic
21 which is below the new maximum contaminant level allowed by the U.S. Environmental Protection
22 Agency and negates the need for arsenic treatment facilities.

23 Accordingly, Sunrise's request should be granted.

24 IT IS THEREFORE ORDERED that the request of Sunrise Utilities, L.L.C is hereby
25 approved for an extension of time, until October 25, 2008, to file copies of the following: a copy of
26 the ADEQ Certificate of Approval to Construct public water facilities; a copy of the developers'
27 Letter(s) of Adequate Water Supply; and a copy of the Letter of Intent and/or Aquifer Protection
28 Permit to be issued by ADEQ.

1 IT IS FURTHER ORDERED that Sunrise Utilities, L.L.C. is hereby relieved of the
2 requirement to file a copy of a CAC issued by ADEQ for arsenic treatment facilities as a result of this
3 proceeding.

4 DATED this 20th day of February, 2008.

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8 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered
10 this 20th day of February, 2008 to:

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13 Beaver Dam, AZ 86432

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25 By: 
26 Debra Broyles
Secretary to Marc Stern