

ORIGINAL
OPEN MEETING



0000082142

MEMORANDUM

410

TO: THE COMMISSION

FROM: Utilities Division

DATE: February 25, 2008

RE: IN THE MATTER OF THE APPLICATION OF VIRGIN MOUNTAIN UTILITIES COMPANY FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICE IN MOHAVE COUNTY, ARIZONA AND APPROVAL OF A HOOK-UP FEE TARIFF (DOCKET NO. W-03551A-04-0325)

On April 29, 2004, Virgin Mountain Utilities Company ("Virgin Mountain" or "Company") filed an application requesting approval for an extension of its Certificate of Convenience and Necessity ("CC&N") with the Arizona Corporation Commission ("Commission") to provide public water utility service to various parts of Mohave County, Arizona and approval for a Hook-Up Fee Tariff.

On February 2, 2006, the Commission granted an Order Preliminary to the issuance of the CC&N upon completion of the requirements contained in Finding of Fact No. 36 in the Order.

On February 4, 2008, the Company docketed a Motion for the Issuance of a Certificate of Convenience and Necessity. In this filing, the Company stated that it had met all compliance requirements set forth in the Decision which are necessary for the issuance of the full CC&N.

Based on its analysis, Staff has concluded that Virgin Mountain has complied with all the requirements set forth in the Order Preliminary. Staff, therefore, recommends that the Commission issue an Order approving the extension of the CC&N to provide water service in Mohave County, Arizona.

Ernest G. Johnson
Director
Utilities Division

EGJ:KDB:lhk\KT

Originator: Kimberly Battista

Arizona Corporation Commission
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AZ CORP COMMISSION
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BEFORE THE ARIZONA CORPORATION COMMISSION

- MIKE GLEASON
Chairman
- WILLIAM A. MUNDELL
Commissioner
- JEFF HATCH-MILLER
Commissioner
- KRISTIN K. MAYES
Commissioner
- GARY PIERCE
Commissioner

IN THE MATTER OF THE APPLICATION)
 OF VIRGIN MOUNTAIN UTILITIES)
 COMPANY FOR AN EXTENSION OF ITS)
 CERTIFICATE OF CONVENIENCE AND)
 NECESSITY TO PROVIDE WATER)
 SERVICE IN MOHAVE COUNTY,)
 ARIZONA AND APPROVAL OF A HOOK-)
 UP FEE TARIFF)

DOCKET NO. W-03551A-04-0325

DECISION NO. _____

ORDER

Open Meeting
March 11 and 12, 2008
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On April 29, 2004, Virgin Mountain Utilities Company ("Company" or "VMU") filed an application requesting Commission approval for an extension of its existing Certificate of Convenience and Necessity ("CC&N") to provide public water service to include an additional section of land (640) acres) adjacent to its existing certificated service area.

2. On February 2, 2006, the Commission issued Decision No. 68449 which issued an Order Preliminary to the issuance of the Certificate of Convenience and necessity to Virgin Mountain Utilities Company upon completion of the following compliance items.

- a) That the Company be required to file, within two years of the effective date of this Decision, with the Commission's Docket Control, as a compliance item in this case, that it has adequate water supply for the extension area that can be satisfied with a current ADWR Letter of Adequacy or an ADWR Physical Availability Demonstration for the extension area.

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- b) That the Company be required to file, within two years of the effective date of this Decision, with the Commission's Docket Control, as a compliance item in this case, a Certificate of Approval to Construct ("CAC") issued by ADEQ covering the construction of the water system necessary to begin service to the extension area.
- c) That the Company obtain and file a renewed Performance Bond before the expiration date of August 3, 2006.
- d) That the Company file, within 60 days of the effective date of this Decision, a Curtailment Tariff.
- e) That the Company apply the depreciation rates specified in the Staff Report filed March 15, 2005, in this proceeding.

3. On February 4, 2008, and as required by Decision No. 68449, VMU filed a Motion for the issuance of a Certificate of Convenience and Necessity because it had complied with the above requirements as follows:

- a) On February 4, 2008, the Company filed a copy of the ADWR Letter of Physical Availability dated January 31, 2008. Staff has reviewed the document and has found that it meets the requirements of Decision No. 68449.
- b) On August 15, 2006, the Company filed a copy of the ADEQ CAC covering the construction of the water system necessary to begin service to the extension area. Staff has reviewed the document and has found that it meets the requirements of Decision No. 68449.
- c) On August 1, 2006, the Company filed a renewed Performance Bond in the amount of \$10,000.
- d) On February 8, 2006, the Company filed an approved Curtailment tariff with the Commission.
- f) Staff verified through the Company's Annual Reports that it is in compliance with the depreciation requirement.

4. Based on its analysis, Staff has concluded that Virgin Mountain Utilities Company ~~has complied with all requirements set forth in the Order Preliminary. Staff therefore recommends~~ that the Commission issue an Order approving the extension of the CC&N to provide water service in Mohave County, Arizona.

5. Staff's recommendations are reasonable and shall be adopted.

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CONCLUSIONS OF LAW

1. VMU is a public service corporation within the meaning of Article XV of the Arizona Constitution and Arizona Revised Statutes §§ 40-252, 40-281 and 40-282.

2. The Commission has jurisdiction over VMU and of the subject matter of the application.

3. Notice of the application as described herein was given in the manner prescribed by law.

4. In accordance with the Order Preliminary issued pursuant to A.R.S. § 40-282(D), VMU has complied with all conditions set forth therein.

5. Pursuant to A.R.S. § 40-282(D), it is appropriate to grant VMU its requested CC&N extension.

ORDER

IT IS THEREFORE ORDERED that Virgin Mountain Utilities Company's application for issuance of a Certificate of Convenience and Necessity to provide water service to the public in the area more fully described in Exhibit A be and hereby is approved.

IT IS FURTHER ORDERED that Virgin Mountain Utilities Company shall charge water customers in the area described in Exhibit A its existing rates and charges pursuant to Decision No. 61525 until further Order by the Commission.

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1 IT IS FURTHER ORDERED that Virgin Mountain Utilities Company shall file, as part of
2 its annual report, an affidavit with the Utilities Division attesting that the Company is current on
3 paying the property taxes in Arizona.

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

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6 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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CHAIRMAN

COMMISSIONER

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11 COMMISSIONER

COMMISSIONER

COMMISSIONER

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13 IN WITNESS WHEREOF, I DEAN S. MILLER, Interim
14 Executive Director of the Arizona Corporation Commission,
15 have hereunto, set my hand and caused the official seal of
16 this Commission to be affixed at the Capitol, in the City of
17 Phoenix, this _____ day of _____, 2008.

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19 _____
20 DEAN S. MILLER
Interim Executive Director

21 DISSENT: _____

22
23 DISSENT: _____

24 EGI:KB:lh\KT

1 SERVICE LIST FOR: VIRGIN MOUNTAIN UTILITIES COMPANY
DOCKET NO.: W-03551A-04-0325

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LEGAL DESCRIPTION

Section 15, Township 39 North, Range 16 West
G&SRB&M, Mohave County, Arizona

EXHIBIT A

Decision No. _____