

ORIGINAL

OPEN MEETING ITEM



0000086539

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



ARIZONA CORPORATION COMMISSION

Executive Director
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2008 JUL 10 A 11: 26

AZ CORP COMMISSION
DOCKET CONTROL

DATE: JULY 10, 2008

DOCKET NOS: RW-00000B-07-0051 and RSW-00000A-07-0051

TO ALL PARTIES:

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

RULEMAKING
(AMEND/ESTABLISH NEW RULES)

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:

JULY 21, 2008

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:

JULY 29, 2008 and JULY 30, 2008

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission
DOCKETED

JUL 10 2008

BRIAN C. McNEIL
EXECUTIVE DIRECTOR

DOCKETED BY

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

IN THE MATTER OF RULEMAKING TO AMEND EXISTING RULES AND/OR ESTABLISH NEW RULES REGARDING THE COMMISSION'S REQUIREMENTS FOR APPLICATIONS REQUESTING APPROVAL TO OBTAIN A NEW CERTIFICATE OF CONVENIENCE AND NECESSITY OR EXTEND AN EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY FOR WATER AND SEWER UTILITIES.

DOCKET NO. RW-00000B-07-0051
DOCKET NO. RSW-00000A-07-0051
DECISION NO. _____

OPINION AND ORDER

DATES OF HEARING: April 14 and 15, 2008
PLACE OF HEARING: Phoenix, Arizona
ADMINISTRATIVE LAW JUDGE: Sarah N. Harpring
IN ATTENDANCE: Mike Gleason, Chairman
APPEARANCES: Robin Mitchell, Staff Attorney, Legal Division, on behalf of the Utilities Division of the Arizona Corporation Commission.

BY THE COMMISSION:

On January 17, 2007, the Arizona Corporation Commission ("Commission") voted during an Open Meeting to open a generic docket entitled "In the Matter of Rulemaking to Amend Existing Rules and/or Establish New Rules Regarding the Commission's Requirements for Applications Requesting Approval to Obtain a New Certificate of Convenience and Necessity or Extend an Existing Certificate of Convenience and Necessity for Water and Sewer Utilities."

Pursuant to a Memorandum issued by the Chief Administrative Law Judge ("ALJ") of the Commission's Hearing Division on January 19, 2007, this docket was opened.

On March 6, 2007, the Commission's Utilities Division Staff ("Staff") distributed proposed rule changes to approximately 400 interested persons, with an invitation to provide written comments. Written comments were docketed by 11 interested persons.

1 On June 8, 2007, a special Open Meeting was held to allow interested persons and
2 Commissioners to discuss the proposed rule changes.

3 On January 2, 2008, Staff issued a Memorandum recommending that the proposed rule
4 changes be forwarded to the Secretary of State for a Notice of Proposed Rulemaking and that the
5 Hearing Division schedule a public comment proceeding no earlier than 30 days after publication in
6 the *Arizona Administrative Register* ("Register"), but as soon as practicable thereafter, in Phoenix
7 and/or Tucson. Staff also issued a Recommended Order to that effect for Commission consideration.

8 At the Open Meeting on January 15, 2008, the Commission passed Staff's Recommended
9 Order, along with Gleason Proposed Amendment #1, Hatch-Miller Proposed Amendment #1, and
10 Mayes Proposed Amendments #1 and 2, the last three of which were also verbally amended.

11 On January 23, 2008, the Commission issued Decision No. 70128, which ordered that
12 proposed changes to Arizona Administrative Code ("A.A.C.") R14-2-402 ("Rule 402") and R14-2-
13 602 ("Rule 602") be forwarded to the Secretary of State's Office for a Notice of Proposed
14 Rulemaking. Decision No. 70128 further ordered the Hearing Division to schedule a public comment
15 proceeding on the proposed changes to the rules no earlier than 30 days after publication in the
16 *Register*, but as soon as practicable thereafter, in Phoenix and/or Tucson.

17 On January 24, 2008, a Procedural Order was issued scheduling oral proceedings on the
18 proposed rule changes for April 14 and 15, 2008, in Tucson and Phoenix, respectively; ordering Staff
19 to cause a Notice of Proposed Rulemaking to be published in the *Register* by February 15, 2008;
20 requiring Staff to include certain procedural language within the Notice of Proposed Rulemaking;
21 requiring Staff to make changes to the text of the proposed rules, to correct a clerical error in the
22 manner in which Hatch-Miller Proposed Amendment #1 had been incorporated into the text of the
23 proposed rules in Decision No. 70128; requiring Staff to ensure that written comments submitted to
24 Staff were filed with Docket Control; and requiring Staff to file, by April 10, 2008, written comments
25 in response to any written comments filed by interested persons.

26 On February 15, 2008, a Notice of Rulemaking Docket Opening and a Notice of Proposed
27
28

1 Rulemaking for Rule 402 and Rule 602 were published in the *Register*.¹

2 Written comments on the proposed changes to Rule 402 and Rule 602 were filed by Pulte
3 Home Corporation on March 14, 2008; Arizona Water Company on March 17, 2008; the City of
4 Surprise on March 28, 2008; the City of Avondale on April 3, 2008; the City of Goodyear on April 4,
5 2008; the Town of Gilbert on April 9, 2008; and the Town of Queen Creek on April 10, 2008.

6 On April 10, 2008, Staff filed a Memorandum responding to the comments of the Arizona
7 Water Company, the City of Surprise, the City of Goodyear, the City of Avondale, and Pulte Home
8 Corporation. In its Memorandum, Staff recommended the insertion of a new subsection in Rule 602
9 to address the situation when a landowner has not responded to a notice of application.

10 On April 11, 2008, the Town of Buckeye filed comments on the proposed changes to Rule
11 402 and Rule 602.

12 On April 14, 2008, an oral proceeding on the proposed changes to Rule 402 and Rule 602 was
13 held in Tucson, Arizona. Staff appeared through counsel and responded to questions from the ALJ.
14 Chairman Mike Gleason attended telephonically. No members of the public attended.

15 On April 15, 2008, an oral proceeding on the proposed changes to Rule 402 and Rule 602 was
16 held in Phoenix, Arizona. Staff appeared through counsel. Chairman Mike Gleason attended.
17 During the oral proceeding, Staff was requested to file several late-filed exhibits. Oral comments
18 were received from the City of Surprise, and counsel for the Arizona Water Company asked a
19 procedural question.

20 On April 15, 2008, Arizona Water Company filed a response to certain comments on the
21 proposed changes to Rule 402 and Rule 602.

22 On April 18 and May 15, 2008, Staff filed the late-filed exhibits requested.

23 On June 26, 2008, representatives of Staff, the Legal Division, and the Hearing Division met
24 to discuss the rulemaking.

25 * * * * *

26 Having considered the entire record herein and being fully advised in the premises, the
27

28 ¹ Staff docketed copies of these documents, as submitted to the Secretary of State, on April 11, 2008.

1 Commission finds, concludes, and orders that:

2 **FINDINGS OF FACT**

3 1. On January 23, 2008, the Commission issued Decision No. 70128, which ordered that
4 proposed changes to Rule 402 and Rule 602 be forwarded to the Secretary of State's Office for a
5 Notice of Proposed Rulemaking. Decision No. 70128 further ordered the Hearing Division to
6 schedule a public comment proceeding on the proposed changes to the rules no earlier than 30 days
7 after publication in the *Register*, but as soon as practicable thereafter, in Phoenix and/or Tucson.

8 2. On January 24, 2008, a Procedural Order was issued scheduling oral proceedings on
9 the proposed rule changes for April 14 and 15, 2008, in Tucson and Phoenix, respectively; ordering
10 Staff to cause a Notice of Proposed Rulemaking to be published in the *Register* by February 15,
11 2008; requiring Staff to include certain procedural language within the Notice of Proposed
12 Rulemaking; requiring Staff to make changes to the text of the proposed rules to correct a clerical
13 error in the manner in which Hatch-Miller Proposed Amendment #1 had been incorporated into the
14 text of the proposed rules in Decision No. 70128; requiring Staff to ensure that written comments
15 submitted to Staff were filed with Docket Control; and requiring Staff to file, by April 10, 2008,
16 written comments in response to any written comments filed by interested persons.

17 3. On February 15, 2008, a Notice of Rulemaking Docket Opening and a Notice of
18 Proposed Rulemaking for Rule 402 and Rule 602 were published in the *Register*.² The Notice of
19 Proposed Rulemaking is attached hereto as Exhibit A.

20 4. Written comments on the proposed changes to Rule 402 and Rule 602 were filed by
21 Pulte Home Corporation on March 14, 2008; Arizona Water Company on March 17, 2008; the City
22 of Surprise on March 28, 2008; the City of Avondale on April 3, 2008; the City of Goodyear on April
23 4, 2008; the Town of Gilbert on April 9, 2008; and the Town of Queen Creek on April 10, 2008.

24 5. On April 10, 2008, Staff filed a Memorandum responding to the comments of the
25 Arizona Water Company, the City of Surprise, the City of Goodyear, the City of Avondale, and Pulte
26 Home Corporation. In its Memorandum, Staff recommended the insertion of a new subsection in

27 ² Staff docketed copies of these documents, as submitted to the Secretary of State, on April 11, 2008. Both of these
28 documents requested that all documents submitted reference an incorrect docket number, Docket No. ACC-00000A-05-
0613, but no comments or other documents were filed in the incorrect docket.

1 Rule 602 to address the situation when a landowner has not provided a written response to a notice of
2 application.

3 6. On April 11, 2008, the Town of Buckeye filed comments on the proposed changes to
4 Rule 402 and Rule 602.

5 7. On April 14, 2008, an oral proceeding on the proposed changes to Rule 402 and Rule
6 602 was held in Tucson, Arizona. Staff appeared through counsel and responded to questions from
7 the ALJ. Chairman Mike Gleason attended telephonically. No members of the public attended.

8 8. On April 15, 2008, an oral proceeding on the proposed changes to Rule 402 and Rule
9 602 was held in Phoenix, Arizona. Staff appeared through counsel. Chairman Mike Gleason
10 attended. During the oral proceeding, Staff was requested to file, as late-filed exhibits, a statement
11 regarding whether a Certificate of Assured Water Supply, Designation of Assured Water Supply, or
12 Designation of Adequate Water Supply should be acceptable to satisfy proposed R14-2-402(B)(2)(v)
13 in the context of a Certificate of Convenience and Necessity ("CC&N") extension; a separate
14 economic impact statement; and a summary of all of the public comments made regarding the rule
15 changes from February 15, 2008, through April 15, 2008, and Staff's responses to them. Oral
16 comments were received from the City of Surprise, and counsel for the Arizona Water Company
17 asked a procedural question that was answered by the ALJ.

18 9. On April 15, 2008, Arizona Water Company filed a response to certain comments on
19 the proposed changes to Rule 402 and Rule 602.

20 10. On April 18, 2008, Staff filed a Memorandum stating that the Arizona Department of
21 Water Resources ("ADWR") will not issue, amend, or expand a Designation of Assured Water
22 Supply or a Designation of Adequate Water Supply until a water utility has received a decision from
23 the Commission approving a CC&N or CC&N extension and that Staff believes there are no
24 instances where these approvals could be included in an application for a CC&N or CC&N extension.
25 Staff recommended against including such language in the rules.³

26 ³ Staff's recommendation is consistent with A.A.C. R12-15-718, which provides that a private water company applicant
27 for a Certificate of Assured Water Supply or Water Report must submit evidence (1) that the applicant has a CC&N and
28 that the subdivision is located within the geographic area described in the CC&N or any other area in which the
Commission authorizes the applicant to serve water, (2) that the applicant has an Order Preliminary and that the
subdivision is located within the area described in the Order Preliminary, or (3) that the applicant is not a public service

1 11. On May 15, 2008, Staff filed a Memorandum summarizing both the oral and written
2 comments received and providing Staff's response to them, along with the separate economic impact
3 statement for the rulemaking. Staff's summary of the comments received with Staff's responses is
4 attached hereto and incorporated herein as Exhibit B. The separate economic impact statement is
5 attached hereto and incorporated herein as Exhibit C.

6 12. On June 26, 2008, representatives of Staff, the Legal Division, and the Hearing
7 Division met to discuss the rulemaking.

8 13. Rule 402 currently requires a person desiring to construct and/or operate a water utility
9 to apply for a water utility CC&N, establishes the minimum requirements for such applications,
10 requires Staff to review such applications for compliance with Rule 402, requires Staff to follow the
11 Commission's administrative and hearing rules for the processing of incomplete applications,
12 requires the Commission to schedule hearings for water utility CC&N applications, requires a utility
13 proposing to discontinue or abandon service to apply for and obtain Commission authorization
14 therefor, prescribes requirements for a discontinuance/abandonment application, requires a utility to
15 notify the Commission if it proposes to extend service to a location in a non-certificated area
16 contiguous to its service area, prescribes requirements for a service extension notice, and defines the
17 term "contiguous."

18 14. Rule 602 currently requires a person desiring to construct and/or operate a sewer
19 utility to apply for a sewer utility CC&N; establishes the minimum requirements for such
20 applications; requires Staff to review such applications for compliance with Rule 602; requires Staff
21 to follow the Commission's administrative and hearing rules for the processing of incomplete
22 applications; requires the Commission to schedule hearings for sewer utility CC&N applications;
23 requires a utility to notify the Commission if it proposes to extend service to a location in a non-
24 certificated area contiguous to its service area; prescribes requirements for a service extension notice;
25 requires a utility to apply for authority to abandon, sell, lease, transfer, or otherwise dispose of a
26 utility; prescribes requirements for an application to abandon, sell, lease, transfer, or otherwise
27 corporation. (A.A.C. R12-15-718(B)(3).) The rule further provides that a private water company applicant for a
28 Designation of Assured Water Supply or Designation of Adequate Water Supply must submit evidence that the applicant
has a CC&N or an Order Preliminary authorizing the applicant to serve the proposed use. (A.A.C. R12-15-718(C).)

1 dispose of a utility; requires a utility proposing to discontinue or abandon service to apply for and
2 obtain Commission authorization therefor; and prescribes requirements for a
3 discontinuance/abandonment application.

4 15. As published in the Notice of Proposed Rulemaking, the changes to Rule 402 would
5 add numerous requirements to the application for a water utility CC&N or CC&N extension.
6 Specifically, the changes would expressly reference CC&N extensions within some requirements;
7 would clarify requirements for limited liability company (“LLC”) applicants, who are not currently
8 addressed in the rule; would elaborate on several information submission requirements, most notably
9 the requirement for submission of maps of the proposed service area, proposed annual operating
10 revenues and expenses, and proposed construction dates; would require submission of any requests
11 for service for the proposed service area, with the water service provider identified; would require
12 submission of copies of notice to landowners not requesting service, along with written responses or
13 a description of action taken to obtain written responses; would require submission of copies of
14 notice to municipalities located within five miles of the proposed service area; would require
15 submission of the name of the wastewater service provider, a confirmation letter from the wastewater
16 service provider, and a plan for how they will work together to encourage water conservation; would
17 require submission of a description of how water will be provided for golf courses, ornamental lakes,
18 other aesthetic water features, greenbelts, or parks within the area under application; would require
19 submission of plans or a description of water conservation measures, with prescribed minimum
20 information; would require submission of a backflow prevention tariff and a curtailment tariff, if not
21 already on file; would require submission of a Physical Availability Determination, Analysis of
22 Adequate Water supply, or Analysis of Assured Water Supply from ADWR or the status of the
23 application for one of those; and would require an applicant for a CC&N extension to submit a
24 current compliance status report from the Arizona Department of Environmental Quality (“ADEQ”)
25 and a water use data sheet for each separate existing water system.

26 16. As published in the Notice of Proposed Rulemaking, the changes to Rule 602 would
27 add numerous requirements to the application for a sewer utility CC&N or CC&N extension.
28 Specifically, the changes would expressly reference CC&N extensions within some requirements;

1 would clarify requirements for LLC applicants, who are not currently addressed in the rule; would
2 elaborate on several information submission requirements, most notably the requirement for
3 submission of maps of the proposed service area, proposed annual operating revenues and expenses,
4 and proposed construction dates; would require submission of the Aquifer Protection Permit issued
5 by ADEQ for the proposed service area or of the status of the application therefor; would require
6 submission of copies of any requests for service, with the wastewater service provider identified;
7 would require submission of copies of notice to municipalities located within five miles of the
8 proposed service area; would require submission of copies of notice to landowners not requesting
9 service, along with written responses from the landowners; would require submission of the name of
10 the water service provider for the proposed area; would require submission of a description of how
11 effluent from the proposed service area will be reused or otherwise disposed of; and would require an
12 applicant for a CC&N extension to submit a current compliance status report from ADEQ and a
13 wastewater flow data sheet for existing systems.

14 17. On April 10, 2008, in a Memorandum responding to public comments filed, Staff
15 recommended the insertion of a new subsection in Rule 602 to read "If a landowner did not respond
16 to the notice of application, the application shall include a description of the action taken by the
17 applicant to obtain a written response from the landowner." Staff recommended that the remaining
18 subsections be relabeled to conform. Staff's recommended addition of language to address the non-
19 responsive landowner would make Rule 602 more consistent with Rule 402 and is reasonable, as it
20 may not be possible for an applicant for a sewer utility CC&N or CC&N extension to obtain a written
21 response from a landowner who has not requested service from the applicant.

22 18. At the oral proceeding on April 14, 2008, the ALJ asked Staff a number of questions
23 to clarify the meaning of both newly proposed and existing language in Rule 402 and Rule 602.

24 19. The current "Application for a Certificate of Convenience and Necessity Water and/or
25 Sewer" ("CC&N Application Form"), Exhibit S-2 to the rulemaking oral proceedings, requests
26 submission of numerous items of information and several documents that are not included within the
27 proposed rules, including the following:

28 a. Applicant's telephone number;

- 1 b. Any other name in which the applicant is doing business;
- 2 c. The name, address, and telephone number of the applicant's management
- 3 contact;
- 4 d. The name, address, and telephone number of the applicant's attorney;
- 5 e. The name, address, and telephone number of the operator certified by ADEQ
- 6 for the applicant;
- 7 f. The name, address, and telephone number of the on-site manager of the utility;
- 8 g. Whether the applicant is a C corporation, an S corporation, or a non-profit
- 9 corporation and whether an Arizona corporation or foreign corporation;
- 10 h. Whether the applicant is a limited or general partnership and whether an
- 11 Arizona partnership or foreign partnership;
- 12 i. Whether the applicant is a sole proprietor, LLC, or other (to be specified);
- 13 j. If the applicant is a corporation, the following:
- 14 i. A list of the names of the applicant's officers and directors;
- 15 ii. A copy of the applicant's certificate of good standing from the
- 16 Corporations Division (regardless of whether a new CC&N or an extension);
- 17 iii. A copy of the applicant's by-laws (regardless of whether a non-profit
- 18 corporation); and
- 19 iv. If a for-profit corporation, the number of shares of stock authorized for
- 20 issue and, if any stock has been issued, the number of shares issued and date of issue;
- 21 k. If the applicant is a partnership:
- 22 i. The telephone numbers of the managing partners;
- 23 ii. If the applicant is a foreign limited partnership, a copy of the
- 24 partnership's certificate of registration filed with the Arizona Secretary of State;
- 25 l. If the applicant is a sole proprietor, the telephone number of the proprietor;
- 26 m. The names and addresses of any other public utility interest that the applicant
- 27 may have;
- 28 n. A description of the area requested using cadastral (quarter section description)

1 or metes and bounds survey;

2 o. Proposed tariffs that use either the format of Attachment D to the CC&N
3 Application or a format approved by the Utilities Division before the application is filed;

4 p. An approval to construct facilities issued by ADEQ or its designee;

5 q. If any state trust land is included in the requested area, an approval issued by
6 the Arizona State Land Department;

7 r. If any U.S. Forest Service land is included in the requested area, an approval
8 issued by the U.S. Forest Service;

9 s. If the area requested is included within an Active Management Area ("AMA"),
10 a copy of the utility's Designation of Assured Water Supply or the developer's Certificate of
11 Assured Water Supply issued by ADWR, whichever applies;

12 t. If the area requested is not included within an AMA, the developer's Adequacy
13 Statement issued by ADWR, if applied for by the developer or, if not applied for by the
14 developer, sufficient detail to prove that adequate water exists to provide water to the
15 requested area;

16 u. A copy of the applicant's estimated property taxes;

17 v. Classification of the estimated number of customers to be served in each of the
18 first five years of operation;

19 w. The projected annual water consumption or sewerage treatment, in gallons, for
20 each customer class, for each of the first five years of operation;

21 x. An itemized list of the major components of the water or sewer system;

22 y. A notarized signature; and

23 z. If the applicant plans to finance the plant through debt (long term loans) or
24 equity (stock issuance), a separate financing application with separate public notice provided.

25 20. The CC&N Application Form also specifically requires an applicant requesting a
26 service area that has fewer than 100 property owners to mail notice within 15 days after the
27 application is filed and an applicant requesting a service area that has more than 100 property owners
28 to provide notice either by mail or by publication at least once in a newspaper of general circulation

1 in the service area within 15 days after the application is filed. The CC&N Application Form also
 2 includes the text of the notice to be provided. Proposed Rule 402 and Rule 602 did not provide
 3 specifics concerning the notice requirements.

4 21. The CC&N Application Form also includes the specific items of information to be
 5 submitted in terms of the applicant's financial information and the format in which they are to be
 6 submitted.

7 22. A.R.S. § 41-1001(1) defines "agency" to include any commission, whether created
 8 under the Arizona Constitution or by enactment of the legislature.

9 23. A.R.S. § 41-1022(E) provides that if, as a result of public comment or internal review,
 10 an agency determines that a proposed rule requires substantial change pursuant to A.R.S. § 41-1025,
 11 the agency shall issue a supplemental notice containing the changes in the proposed rule and shall
 12 provide for additional public comment pursuant to A.R.S. § 41-1023.

13 24. A.R.S. § 41-1025 provides that an agency must consider all of the following in
 14 determining whether changes to a rule constitute a substantial change from the rule as proposed:

15 1. The extent to which all persons affected by the rule should
 16 have understood that the published proposed rule would affect their
 interests.

17 2. The extent to which the subject matter of the rule or the
 issues determined by that rule are different from the subject matter or
 issues involved in the published proposed rule.

18 3. The extent to which the effects of the rule differ from the
 19 effects of the published proposed rule if it had been made instead.⁴

20 25. A.R.S. § 41-1057(2) exempts Commission rules from A.R.S. Title 41, Chapter 6,
 21 Article 5, pertaining to review and approval of rulemakings by the Governor's Regulatory Review
 22 Council, but requires the Commission to "adopt substantially similar rule review procedures,
 23 including the preparation of an economic impact statement and a statement of the effect of the rule on
 24 small business."

25 26. A.R.S. § 41-1044 requires the Attorney General to review rules that are exempt
 26 pursuant to A.R.S. § 41-1057 as to form and whether the rules are clear, concise, and understandable;
 27

28 ⁴ A.R.S. § 41-1025(B).

1 at 10:00 a.m. or as soon as practicable thereafter, in Hearing Room #1 at the Commission's offices at
2 1200 West Washington Street, Phoenix, Arizona 85007.

3 IT IS FURTHER ORDERED that interested persons may provide comments concerning the
4 text of Rule 402 and Rule 602, as included in the Notice of Supplemental Proposed Rulemaking, by
5 filing written comments with the Commission's Docket Control by October 14, 2008, and/or by
6 providing oral comments at the oral proceeding to be held on October 14, 2008.

7 IT IS FURTHER ORDERED that the Utilities Division shall ensure that the Preamble to the
8 Notice of Supplemental Proposed Rulemaking provides notice of the date, time, and location of the
9 oral proceeding required herein.

10 IT IS FURTHER ORDERED that the Utilities Division shall ensure that the Preamble to the
11 Notice of Supplemental Proposed Rulemaking states that written comments on the Notice of
12 Supplemental Proposed Rulemaking (1) will be accepted through October 14, 2008; (2) should
13 include a reference to Docket Nos. RW-00000B-07-0051 and RSW-00000A-07-0051; and (3) should
14 be filed with the Commission's Docket Control.

15 IT IS FURTHER ORDERED that the Utilities Division shall ensure that any written
16 comments submitted to the Utilities Division rather than the Commission's Docket Control are
17 promptly filed with the Commission's Docket Control.

18 IT IS FURTHER ORDERED that the Utilities Division shall, on or before September 15,
19 2008, file with Docket Control a revised version of the Economic, Small Business, and Consumer
20 Impact Statement attached hereto as Exhibit C, which shall address the economic impacts of the
21 changes to Rule 402 and Rule 602 as included in the Notice of Supplemental Proposed Rulemaking.

22 IT IS FURTHER ORDERED that the Utilities Division shall, on or before October 10, 2008,
23 file with Docket Control a document including (1) a summary of any written comments filed by
24 interested persons between the effective date of this Decision and October 9, 2008, and (2) the
25 Utilities Division's response to those comments.

26 IT IS FURTHER ORDERED that the Utilities Division shall, on or before October 20, 2008,
27 file with Docket Control a document including (1) a summary of any written comments that were
28 filed by interested persons between the effective date of this Decision and October 14, 2008, and that

1 were not included in the prior summary; (2) a summary of any oral comments provided at the oral
2 proceeding on October 14, 2008; and (3) the Utilities Division's response to the comments.

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

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
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7 CHAIRMAN _____ COMMISSIONER _____
8

9 COMMISSIONER _____ COMMISSIONER _____ COMMISSIONER _____
10

11 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
12 Director of the Arizona Corporation Commission, have
13 hereunto set my hand and caused the official seal of the
14 Commission to be affixed at the Capitol, in the City of Phoenix,
15 this _____ day of _____, 2008.

16
17 _____
18 BRIAN C. McNEIL
19 EXECUTIVE DIRECTOR

20 DISSENT _____
21

22 DISSENT _____
23

24 SNH:db
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1 SERVICE LIST FOR:

RULEMAKING TO AMEND EXISTING RULES
AND/OR ESTABLISH NEW RULES REGARDING
THE COMMISSION'S REQUIREMENTS FOR
APPLICATIONS REQUESTING APPROVAL TO
OBTAIN A NEW CERTIFICATE OF
CONVENIENCE AND NECESSITY OR EXTEND AN
EXISTING CERTIFICATE OF CONVENIENCE AND
NECESSITY FOR WATER AND SEWER UTILITIES.

6 DOCKET NO.:

RW-00000B-07-0051 ET AL.

7	A PETERSON WATER CO P O BOX 1270 SHOW LOW AZ 85902-1270	ARIZONA WINDSONG REALTY INC P O BOX 261 SANDERS AZ 86512
8	ABRA WATER CO INC P O BOX 515 PAULDEN AZ 86334	AZ-AMERICAN WATER CO 19820 N 7TH ST SUITE 201 PHOENIX AZ 85024
10	ADAMAN MUTUAL WATER CO 16251 W GLENDALE AVE LITCHFIELD PARK AZ 85340	ARROYO WATER CO INC HC 6 BOX 1048 L PAYSON AZ 85541
11	AGUILA WATER SERVICES INC P O BOX 1086 SUN CITY AZ 85372	ASH CREEK WATER CO P O BOX 824 THATCHER AZ 85552
12	AJO IMPROVEMENT CO P O DRAWER 9 AJO AZ 85321	ASH FORK DEV ASSOC P O BOX 293 ASH FORK AZ 86320
13	ALPINE WATER SYSTEM INC P O BOX 822 ALPINE AZ 85920	AVM-2005 LLC 15051 N KIERLAND BLVD SUITE 200 SCOTTSDALE AZ 85254
14	HACIENDA ACRES WATER SYSTEM P O BOX 232 WITTMAN AZ 85361	AVRA WATER CO-OP INC 11821 W PICTURE ROCKS RD TUCSON AZ 85743
15	ANTELOPE LAKES WATER CO P O BOX 350 CHINO VALLEY AZ 86323	BACA FLOAT WATER CO P O BOX 1536 TUBAC AZ 85646
16	ANTELOPE RUN WATER CO 35730 ANTELOPE DR WELLTON AZ 85356	BACHMANN SPGS UTILITY CO P O BOX 9 TOMBSTONE AZ 85638
17	ANTELOPE WATER CO 35730 ANTELOPE DR WELLTON AZ 85356	BALTERRA SEWER CO c/o JAY SHAPIRO 3003 N CENTRAL AVE SUITE 2600 PHOENIX AZ 85012
18	ANWAY MANVILLE LLC WATER CO 7400 N ORACLE RD SUITE 236 TUCSON AZ 85704	BEARDSLEY WATER CO INC P O BOX 1020 APACHE JUNCTION AZ 85217-1020
19	APPALOOSA WATER CO P O BOX 3150 CHINO VALLEY AZ 86323	BEAVER DAM WATER CO INC P O BOX 550 LITTLEFIELD AZ 86432
20	ARIVACA TOWNSITE CO-OP WATER P O BOX 398 ARIVACA AZ 85601	BEAVER VALLEY WATER CO P O BOX 421 PAYSON AZ 85547
21	ARIZONA WATER CO P O BOX 29006 PHOENIX AZ 85038-9006	BELLA VISTA WATER CO INC 12725 W INDIAN SCHOOL RD SUITE D101 AVONDALE AZ 85323
22		
23		
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1 BELLEMONT WATER CO INC
P O BOX 31176
FLAGSTAFF AZ 86003

2 BENSCH RANCH UTILITIES LLC
6825 E TENNESSEE AVE SUITE 547
3 DENVER CO 80224

4 BERMUDA WATER CO
2335 SANDERS RD
NORTHBROOK IL 60062

5 BERNEIL WATER CO
P O BOX 219
6 TEMPE AZ 85280-0219

7 BIASI WATER CO INC
P O BOX 518
BEAVER DAM AZ 86432

8 BIDEGAIN WATER CO
P O BOX 538
9 KEARNY AZ 85237

10 BIG PARK WATER CO
45 CASTLE ROCK RD SUITE 4
SEDONA AZ 86351

11 BLACK MTN SEWER CORP
12725 W INDIAN SCHOOL RD SUITE D101
12 AVONDALE AZ 85392

13 EAST SLOPE WATER CO
301 N GARDEN AVE
SIERRA VISTA AZ 85635

14 BONITA CREEK LAND & HOMEOWNERS ASSOC
15 HC7 BOX 271R
PAYSON AZ 85541

16 BOYNTON CANYON ENCHANTMENT
525 BOYNTON CANYON RD
SEDONA AZ 86336

17 BRADSHAW WATER CO INC
18 P O BOX 12758
PRESCOTT VALLEY AZ 86304

19 BROOKE WATER LLC
P O BOX 82218
20 BAKERSFIELD CA 93380

21 PINE MEADOWS UTILITIES LLC
6825 E TENNESSEE AVE SUITE 547
DENVER CO 80224

22 PINE VALLEY WATER CO
480 RAINTREE RD
23 SEDONA AZ 86351

24 PINE WATER CO INC
P O BOX 82218
BAKERSFIELD CA 93380

25 PINECREST WATER CO
P O BOX 97
26 NUTRIOSO AZ 85932

27 PINEVIEW WATER CO
5198 CUB LAKE RD
SHOW LOW AZ 85901

28

PONDEROSA UTILITY CORP
3 A OSAGE ST
FLAGSTAFF AZ 86001

PUEBLO DEL SOL WATER CO
4226 AVENIDA COCHISE SUITE 13
SIERRA VISTA AZ 85635

PUESTA DEL SOL WATER CO
2732 W GLENDALE AVE
PHOENIX AZ 85051

Q MTN MOBILE HOME PARK
P O BOX 4930
QUARTZSITE AZ 85359

Q MTN WATER INC
12486 S FOOTHILLS BLVD
YUMA AZ 85367

QUAIL CREEK WATER CO
9532 E RIGGS RD
SUN LAKES AZ 85248

QUEEN CREEK WATER CO
22713 S ELLSWORTH RD BLDG A
QUEEN CREEK AZ 85242

RAINBOW PARKS INC
100 RAINBOW DR
LIVINGSTON TX 77351

RQNCHEROS BONITOS WATER CO LLC
14550 S AVENUE 4E
YUMA AZ 85365

RANCHO DEL CONEJO COMMUNITY WATER CO-OP
13130 W RUDASILL RD
TUCSON AZ 85743

RANCHO SAHUARITA WATER CO LLC
4549 E FT LOWELL RD
TUCSON AZ 85712

RAY WATER CO
414 N COURT
TUCSON AZ 85701

RED ROCK UTILITIES LL
P O BOX 70108
TUCSON AZ 85737

RIDGEVIEW UTILITY CO
9532 E RIGGS RD
SUN LAKES AZ 85248

RIGBY WATER CO
P O BOX 1020
APACHE JUNCTION AZ 85217-1020

RILLITO WATER USERS ASSOC
P O BOX 668
RILLITO AZ 85654

RINCON RANCH ESTATES WATER CO
3750 S OLD SPANISH TRAIL
TUCSON AZ 85730

RINCON WATER CO
HC #70 BOX 3601
SAHUARITA AZ 85629

1 RIO RICO UTILITIES INC
12725 W INDIAN SCHOOL RD SUITE D101
AVONDALE AZ 85392

2 RIO VERDE UTILITIES
25609 DANNY LANE SUITE 1
3 RIO VERDE AZ 85263

4 ROOSEVELT LAKE RESORT INC
HCO 2 BOX 901
ROOSEVELT AZ 85545

5 ROSE VALLEY WATER CO
P O BOX 1444
6 GREEN VALLEY AZ 85622

7 SABROSA WATER CO C/O TOWN OF CAVE CREEK
400 E VAN BUREN SUITE 800
PHOENIX AZ 85004

8 SADDLEBROOK UTILITY CO
9532 E RIGGS RD
9 SUN LAKES AZ 85248

10 SAGUARO WATER CO
4572 E CAMP LOWELL DR
TUCSON AZ 85712

11 SANDARIO WATER CO
P O BOX 85160
12 TUCSON AZ 85754

13 SANTA ROSA UTILITY CO
9532 E RIGGS RD
SUN LAKES AZ 85248

14 SANTA ROSA WATER CO
9532 E RIGGS RD
15 SUN LAKES AZ 85248

16 SEVEN CANYONS WATER CO
15333 N PIMA RD SUITE 305
SCOTTSDALE AZ 85260

17 SEVEN CANYONS WATER TREATMENT CO
15333 N PIMA RD SUITE 305
18 SCOTTSDALE AZ 85260

19 SHEPARD WATER CO
10430 N MARTINEZ LAKE RD
20 YUMA AZ 85365

21 SITGREAVES WATER CO
2961 E COOLEY
SHOW LOW AZ 85901

22 SLEEPY HOLLOW MOBILE HOME ESTATES
6001 S PALO VERDE
23 TUCSON AZ 85706

24 SONOTIA VALLEY WATER CO
2102 N FORBES SUITE 107
TUCSON AZ 85745

25 CABALLEROS WATER CO INC
1551 S VULTURE MINE RD
26 WICKENBURG AZ 85390

27 CACTUS-STELLAR LTD
12625 W CACTUS RIDGE, HCR#2 BOX 469
TUCSON AZ 85735

28

CAMP VERDE WATER SYSTEM
P O BOX 340
CAMP VERDE AZ 86322

CARTER'S WATER CO
1157 E SUNSET DR
CASA GRANDE AZ 85222

CASA GRANDE SOUTH WATER CO
117 E SECOND ST
CASA GRANDE AZ 85222

CASA GRANDE WEST WATER CO INC
117 E SECOND ST
CASA GRANDE AZ 85222

CAYETANO INC
P O BOX 733
AMADO AZ 85645

C-D OASIS WATER CO
1665 10TH ST
DOUGLAS AZ 85607

CERBAT WATER CO
2409 RICCA DR
KINGMAN AZ 86401

CHAPARRAL CITY WATER CO
630 E FOOTHILLS BLVD
SAN DIMAS CA 91773

CHAPARRAL WATER CO
2601 W DUNLAP SUITE 10
PHOENIX AZ 85021

CHINO MEADOWS II WATER CO
P O BOX 350
CHINO VALLEY AZ 86323

CIBOLA MUTUAL WATER CO
RR2 BOX 77
CIBOLA AZ 85328

CIENEGA WATER CO INC
P O BOX 3518
PARKER AZ 85344

CIRCLE CITY WATER CO INC
P O BOX 82218
BAKERSFIELD CA 93380

CITRUS PARK WATER CO INC
9361 CITRUS CIRCLE SE
TACNA AZ 85352

CLEAR SPGS UTILITY CO INC
P O BOX 85160
TUCSON AZ 85754

CLEARWATER UTILITIES CO INC
20441 W CHEYENNE
BUCKEYE AZ 85326

CLOUD NINE WATER CO INC
96 BEL AIRE PL SUITE 140
SIERRA VISTA AZ 85635

COLDWATER CANYON WATER CO
P O BOX 637
BLACK CANYON CITY AZ 85324

1 COMMUNITY WATER OF GREEN VALLEY
1501 S LA CANADA DR
GREEN VALLEY AZ 85614

2 CORDES LAKES WATER CO
P O BOX 219
3 TEMPE AZ 85280

4 CORONADO UTILITIES INC
6825 E TENNESSEE AVE SUITE 547
DENVER CO 80224

5 CP WATER COMPANY
21410 N 19TH AVE SUITE 201
6 PHOENIX AZ 85027

7 CROSS CREEK RANCH WATER CO
6586 HWY 179, SUITE C-1
SEDONA AZ 86351

8 CROWN KING WATER CO INC
6428 W GARDEN DR
9 GLENDALE AZ 85304

10 DAIRYLAND WATER CO-OP
16707 E HAPPY RD
QUEEN CREEK AZ 85242

11 DATELAND PUBLIC SERVICE
P O BOX 3011
12 DATELAND AZ 85333

13 DATELAND WATER LLC
3412 W 2ND ST
ANACORTES WA 98221

14 DELLS WTER CO
P O BOX 870
15 CLARKDALE AZ 86324

16 DESERT VALENCIA WATER SYSTEM
P O BOX 1605
17 IDYLLWILD CA 92549

18 DIABLO VILLAGE WATER CO
P O BOX 13145
TUCSON AZ 85732

19 DIAMOND VALLEY WATER USERS CORP
P O BOX 13070
20 PRESCOTT AZ 86304-3070

21 DIVERSIFIED WATER UTILITIES INC
4700 E THOMAS RD SUITE 203
PHOENIX AZ 85018-7703

22 MCADAMS WATER CO
10434 230TH ST
23 DELTA IA 52550

24 DONEY PARK WATER
5290 E NORTHGATE LOOP
FLAGSTAFF AZ 86004

25 DOUBLE R WATER DISTRIBUTORS INC
1515 N LAKE HAVASU AVE SUITE 100
26 LAKE HAVASU CITY AZ 86404

27 DRAGOON WATER CO
7459 E ALMERIA RD
SCOTTSDALE AZ 85257

28

DS WATER CO
P O BOX 786
DESERT SPRINGS AZ 86432

EAGLETAIL WATER CO LC
P O BOX 576
TONOPAH AZ 85354

EDEN WATER CO INC
9488 E HOT SPRINGS RD
EDEN AZ 85535

EHRENBERG IMPROVEMENT ASSOC
P O BOX 50
EHRENBERG AZ 85334

EL PRADO WATER CO INC
P O BOX 5450
YUMA AZ 85366

ELFRIDA DOMESTIC WATER USERS ASSOC
P O BOX 356
ELFREDA AZ 85610

EMPIRITA WATER CO LLC
2090 N KOLB RD SUITE 120
TUCSON AZ 85716

ENTRADA DEL ORO SEWER CO
11811 N TATUM BLVD SUITE 1060
PHOENIX AZ 85028

WEST VILLAGE WATER CO
1120 W UNIVERSITY AVE SUITE 200
FLAGSTAFF AZ 86001

FAR WEST WATER & SEWER INC
13157 E 44TH ST
YUMA AZ 85367

FARMERS WATER CO
P O BOX 7
SAHUARITA AZ 85629

FISHER'S LANDING WATER & SEWER ORKS
P O BOX 72188
YUMA AZ 85365

FLAGSTAFF RANCH WATER CO INC
P O BOX 10775
PHOENIX AZ 85064

FOOLS HOLLOW WATER CO
P O BOX 484
SHOW LOW AZ 85902

FOREST HIGHLANDS WATER CO
657 FOREST HIGHLANDS
FLAGSTAFF AZ 86001

VERDE LEE WATER CO
P O BOX 984
CLIFTON AZ 85533

FT MOHAVE TRIBAL UTILITIES AUTHORITY
P O BOX 5559
MOHAVE VALLEY AZ 86440

FRANCESCA WATER CO INC
P O BOX 17991
TUCSON AZ 85731

- | | | |
|----|--|--|
| 1 | FRANCISCO GRANDE UTILITY CO
26000 GILA BEND HWY
CASA GRANDE AZ 85222 | GROOM CREEK WATER USERS ASSOC
4209 S ADELINE DR
PRESCOTT AZ 86303 |
| 2 | GADSDEN WATER CO INC
P O BOX 519
SOMERTON AZ 85350 | H2O INC
41502 N SCHNEPF RD
QUEEN CREEK AZ 85242 |
| 3 | | |
| 4 | GW-PALO VERDE UTILITIES CO
21410 N 19TH AVE SUITE 201
PHOENIX AZ 85027 | HALCYON ACRES ANNEX #@2 WATER CO INC
8715 E 20TH ST
TUCSON AZ 85710 |
| 5 | GW-SANTA CRUZ
21410 N 19TH AVE SUITE 201
PHOENIX AZ 85027 | HALCYON ACRES WATER USERS ASSOC
P O BOX 18448
TUCSON AZ 85731 |
| 6 | | |
| 7 | GOLD CANYON SEWER CO
12725 W INDIAN SCHOOL RD SUITE D101
AVONDALE AZ 85323 | HASSAYAMPA UTILITIES CO INC
21410 N 19TH AVE SUITE 201
PHOENIX AZ 85028 |
| 8 | GOLDEN CORRIDOR/ARIZONA WATER CO.
P O BOX 29006
PHOENIX AZ 85038-9006 | HATCH VALLEY WATER CO
P O BOX 271
PEACH SPRINGS AZ 86434 |
| 9 | | |
| 10 | GOLDEN SHORES WATER CO INC
P O BOX 37
TOPOCK AZ 86436 | SULGER WATER CO #2
P O BOX 580
SIERRA VISTA AZ 85636 |
| 11 | GOODMAN WATER CO
6340 N CAMPBELL SUITE 278
TUCSON AZ 85718 | HIGH COUNTY PINES WATER CO INC
5555 N 7TH ST SUITE 134, PMB 342
PHOENIX AZ 85014 |
| 12 | | |
| 13 | GRAHAM COUNTY UTILITIES - WATER
P O DRAWER B
PIMA AZ 85543 | HILLCREST WATER CO
915 E BETHANY HOME RD
PHOENIX AZ 85014 |
| 14 | GRAND CANYON CAVERNS & INN LLC
P O BOX 180
PEACH SPRINGS AZ 83634 | HOLIDAY WATER CO
P O BOX 309
TOMBSTONE AZ 85638 |
| 15 | | |
| 16 | GRANDVIEW WATER CO INC
11632 S 194TH DR
BUCKEYE AZ 85326 | HOPEVILLE WATER CO
1415 S PALO VERDER RD RT 2
BUCKEYE AZ 85326 |
| 17 | GRANITE DELLS WATER CO
3025 N HWY 89
PRESCOTT AZ 86301 | HUMBOLDT WATER SYSTEM INC
P O BOX 10593
SEDONA AZ 86339 |
| 18 | | |
| 19 | GRANITE MTN WATER CO INC
2465 SHANE DR
PRESCOTT AZ 86305 | ICR WATER USERS ASSOC
P O BOX 5669
CHINO VALLEY AZ 86323 |
| 20 | | |
| 21 | GRANITE OAKS WATER USERS ASSOC
P O BOX 4947
CHINO VALLEY AZ 86323 | INDIADA WATER CO INC
310 N GARDEN AVE
SIERRA VISTA AZ 85635 |
| 22 | SUNLAND WATER CO
P O BOX 10450
CASA GRANDE AZ 85230 | WEST END WATER CO
9098 W PINNACLE PEAK RD
PEORIA AZ 85383 |
| 23 | | |
| 24 | GREEN ACRES WATER CO
P O BOX 4995
YUMA AZ 85366 | JACKSON SPG ESTATE HOME & PROPERTY
4439 E HOBART
MESA AZ 85205 |
| 25 | GREENHAVEN SEWER CO INC
P O BOX 5122
PAGE AZ 86040 | WORDEN WATER CO
15150 W AJO SUITE 568
TUCSON AZ 85735 |
| 26 | | |
| 27 | GREENHAVEN WATER CO INC
P O BOX 5122
PAGE AZ 86040 | JAMES P WATER CO
4455 E CAMELBACK RD SUITE 215-A
PHOENIX AZ 85018 |
| 28 | | |

1 JOHNSON UTILITIES CO
5230 E SHEA BLVD SUITE 200
SCOTTSDALE AZ 85254

2 JOSHUA VALLEY UTILITY CO
P O BOX 80070
3 PHOENIX AZ 85060

4 JAKE'S CORNER WATER SYSTEM
HC6 BOX 1048 H
PAYSON AZ 85541

5 ARROYO WATER CO
HC6 BOX 1048 L
6 PAYSON AZ 85541

7 KATHERIN RESORT WATER CO
6126 CHRISMARK AVE
SAN DIEGO CA 92120

8 KEATON DEVELOPMENT CO
P O BOX 905
9 SALOME AZ 85348

10 KHOL'S RANCH WATER CO
2111 E HIGHLAND AVE SUITE 200
PHOENIX AZ 85016

11 SHANGRI-LA RANCH
44444 N SHANGRI-LA LANE
12 NEW RIVER AZ 85087

13 BRADSHAW MT VIEW WATER CO
P O BOX 10593
SEDONA AZ 86339

14 LA CASIT WATER CO INC
P O BOX 13208
15 TUCSON AZ 85732

16 LAGO DEL ORO WATER CO
9532 E RIGGS RD
SUN LAKES AZ 85248

17 LAGOON ESTATES WATER CO
2600 N 44TH ST SUITE 203
18 PHOENIX AZ 85008

19 LAKE PLEASANT SEWER CO
2390 E CAMELBACK RD SUITE 310
PHOENIX AZ 85016

20 LAKE PLEASANT WATER CO
2390 E CAMELBACK RD SUITE 310
21 PHOENIX AZ 85016

22 LAKE VERDE WATER CO
P O BOX 2777
23 CAMP VERDE AZ 86322

24 LAS QUINTAS SERENAS WATER CO
P O BOX 68
SAHUARITA AZ 85629

25 LAZY C WATER SERVICE
P O BOX 1
26 TUCSON AZ 85702

27 LITCHFIELD PARK SERVICE CO
12725 W INDIAN SCHOOL RD SUITE D101
AVONDALE AZ 85323

28

LITCHFIELD PARK SERVICE CO - SEWER
12725 W INDIAN SCHOOL RD SUITE D101
AVONDALE AZ 85323

LITTLE PARK WATER CO
45 CASTLE ROCK #4
SEDONA AZ 86351

LIVCO SEWER CO
P O BOX 659
CONCHO AZ 85924

LIVCO WATER CO
P O BOX 659
CONCHO AZ 85924

LOMA ESTATES WATER CO
11620 BELLA SIERRA TRL
PRESCOTT AZ 86305

LOMA LINDA WATER CO
P O BOX 967
THATCHER AZ 85552

LORD AZ WATER SYSTEMS INC
2961 E COOLEY
SHOW LOW AZ 85901

LOS CERROS WATER CO INC
4003 N FLOWING WELLS RD
TUCSON AZ 85705

LUCKY HILLS WATER CO
P O BOX 309
TOMBSTONE AZ 85638

LYN LEE WATER
2321 W CATALPA
TUCSON AZ 85741

MARTINEZ LAKE SEWER CO
10430 N MARTINEZ LAKE RD
YUMA AZ 85365

MEADOW WATER CO
P O BOX 3937
PRESCOTT AZ 86302

MESCAL LAKES WATER SYSTEM INC
P O BOX 85160
TUCSON AZ 85754

MHC OPERATING LTD PARTNERSHIP
2 N RIVERSIDE PLAZA SUITE 800
CHICAGO IL 60606

RINCON CREEK WATER CO
14545 E RINCON CREEK RANCH RD
TUCSON AZ 85747

MICHAELS RANCH WATER USERS ASSOC
1 MICHAELS RANCH RD
SEDONA AZ 86336

MIRABELL WATER CO INC
1037 S ALVERNON SUITE 250
TUCSON AZ 85711

MOBILE WATER CO
6720 N SCOTTSDALE RD SUSITE 335
SCOTTSDALE AZ 85253

- | | | |
|----|---|---|
| 1 | MOHAWK UTILITY CO
36140 ANTELOPE DR
WELLTON AZ 85356 | OAK CREEK UTILITY CO
P O BOX 48
CAVE CREEK AZ 85327 |
| 2 | MONTE VISTA WATER CO LLC
4762 N RUSTLER PLACE
DOUGLAS AZ 85607 | OAK CREEK WATER CO NO 1
90 OAK CREEK BLVD
SEDONA AZ 86336 |
| 3 | MONTEZUMA RIMROCK WATER CO LLC
P O BOX 10
RIMROCK AZ 86335 | OATMAN WATER CO LLC
9184 N 81ST STREET
SCOTTSDALE AZ 85258 |
| 4 | MORENCI WATER & ELECTRIC CO
P O BOX 68
MORENCI AZ 85540 | ORANGE GROVE WATER CO
P O BOX 889
YUMA AZ 85366 |
| 5 | MORMON LAKE WATER CO
P O BOX 29041
PHOENIX AZ 85038 | PARK VALLEY WATER CO INC
P O BOX 487
SHOW LOW AZ 85902 |
| 6 | MORRISTOWN WATER CO
P O BOX 156
MORRISTOWN AZ 85342 | PARK WATER CO INC
P O BOX 16173
PHOENIX AZ 85011 |
| 7 | MT TIPTON WATER CO
P O BOX 38
DOLAN SPRINGS AZ 86441 | PARKER SPRINGS WATER CO
HC 2 BOX 193
PATAGONIA AZ 85624 |
| 8 | MTN DELL WATER INC
1341 W PALMER AVE
FLAGSTAFF AZ 86001 | PAYSON WATER CO INC
P O BOX 82218
BAKERSFIELD CA 93380 |
| 9 | MTN GLEN WATER SERVICE
P O BOX 897
CLAY SPRINGS AZ 85923 | PEEPLER VALLEY WATER CO
15811 N 9TH AVE
PHOENIX AZ 85023 |
| 10 | MTN PASS UTILITY CO
9532 E RIGGS RD
SUN LAKES AZ 85248 | DESPOBLADO WATER CO
8815 N VERCH WAY
TUCSON AZ 85737 |
| 11 | MWC INC
P O BOC 12776
FT HUACHUCA AZ 85670 | PICACHO PEAK WATER CO
28784 STONEHENGE DR
CHESTERFIELD MI 48047 |
| 12 | NACO WATER CO LLC
P O BOX 85160
TUCSON AZ 85754 | PICACHO SEWER CO
9532 E RIGGS RD
SUN LAKES AZ 85248 |
| 13 | SUNIZONA WATER CO
5416 E HWY 181
PEARCE AZ 85625 | PICACHO WATER CO
9532 E RIGGS RD
SUN LAKES AZ 85248 |
| 14 | NAVAJO WATER CO INC
P O BOX 82218
BAKERSFIELD CA 93380 | PICACHO WATER IMPROVEMENT
P O BOX 44
PICACHO AZ 85421 |
| 15 | NEW RIVER UTILITIES CO
7839 W DEER VALLEY RD
PEORIA AZ 85382 | PIMA UTILITY CO - SEWER
9532 E RIGGS RD
SUN LAKES AZ 85248 |
| 16 | NORTH MOHAVE VALLEY CORP
P O BOX 22495
BULLHEAD CITY AZ 86439-2495 | PIMA UTILITIES CO - WATER
9532 E RIGGS RD
SUN LAKES AZ 85248 |
| 17 | NORTHERN SUNRISE WATER CO
12725 W INDIAN SCHOOL RD SUITE D101
AVONDALE AZ 85323 | S RAINBOW VALLEY WATER CO-OP
27205 S 170TH AVE
BUCKEYE AZ 85326 |
| 18 | OAK CREEK PUBLIC SERVICE LLC
P O BOX 103
CORNVILLEAZ 86325 | SOUTHERN SUNRISE WATER CO
12725 W INDIAN SCHOOL RD SUITE D101
AVONDALE AZ 85323 |
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1 SOUTHLAND SANITATION CO
2730 E BROADWAY SUITE 135
TUCSON AZ 85716

2 SOUTHLAND UTILITIES CO INC
2730 E BROADWAY SUITE 135
3 TUCSON AZ 85716

4 SPANISH TRAIL WATER CO
2200 E RIVER RD SUITE 115
TUCSON AZ 85718

5 SPRING BRANCH WATER CO INC
1223 S CLEARVIEW AVE SUITE 103
6 MESA AZ 85209

7 ST DAVID SPRINGS LLC
1600 N KOLB RD SUITE 118
TUCSON AZ 85715

8 STARLIGHT WATER CO INC
P O BOX 1842
9 WENATCHEE WA 98807

10 STERLING WATER CO
4525 N 66TH ST #63
SCOTTSDALE AZ 85251

11 STONEMAN LAKE WATER CO INC
7250 E GRAY ST
12 MESA AZ 85207

13 STRAWBERRY WATER CO INC
P O BOX 82218
BAKERSFIELD CA 93380

14 STRAWBERRY WATER CO
203A W AIRPORT RD
15 PAYSON AZ 85541

16 SUE JUAN WATER CO
10570 S NOGALES HWY
TUCSON AZ 85706

17 SUN LEISURE ESTATES UTIL CO INC
P O BOX 5681
18 YUMA AZ 85366

19 SUN VALLEY FARMS UNIT VI WATER CO
3698 E HASH KNIFE DRAW RD
20 QUEEN CREEK AZ 85242

21 SUNRISE UTILITIES LLC
P O BOX 3630
MESQUITE NV 89024

22 SUNRISE VISTAS UTILITIES CO
P O BOX 8555
23 FT MOHAVE AZ 86427

24 SUNRISE WATER CO
9098 W PINNACLE PEAK RD
PEORIA AZ 85383

25 SWEETWATER CREEK UTILITIES INC
6825 E TENNESSEE AVE SUITE 547
26 DENVER CO 80224

27 TACNA WATER CO
2993 S ARIZONA AVE
YUMA AZ 85365

28

TALL PINE ESTATES WATER
HC 31 BOX 25
MORMON LAKE AZ 86038

AUBREY WATER CO C/O BNSF
P O BOX 961050
FT WORTH TX 76161

LINKS AT COYOTE WASH UTILITIES LLC
6825 E TENNESSEE AVE SUITE 547
DENVER CO 80224

THIM UTILITY CO
P O BOX 1345
TUCSON AZ 85732

TIERRA BUENA WATER CO
12540 W BETHANY HOME
LITCHFIELD PARK AZ 85340

TIERRA LINDA HOMEOWNERS ASSOC
6262 N SWAN RD SUITE 125
TUCSON AZ 85718

TIERRA MESA ESTATES WATER CO INC
P O BOX 4893
YUMA AZ 85366

T K WATER SERVICE
P O BOX 200
VERNON AZ 85940

TONTO BASIN WATER CO INC
P O BOX 82218
BAKERSFIELD CA 93380

TONTO CREEK UTILITY CO
HC 2 BOX 94-G
PAYSON AZ 85541

TONTO HILLS UTILITY CO
11802 E BLUE WASH RD
CAVE CREEK AZ 85331

TONTO VILLAGE WATER CO
P O BOX 9116
MESA AZ 85214

TORTOLITA WATER CO INC
3567 E SUNRISE DR SUITE 119
TUCSON AZ 85718

TRUXTON CANYON WATER CO INC
2409 RICCA DR
KINGMAN AZ 86401

TUBAC WATER CO INC
1444 WAZEE ST SUITE 350
DENVER CO 80202

TURNER RANCHES WATER
P O BOX 1020
APACHE JUNCTION AZ 85217-1020

TUSAYAN WATER DEV ASSOC
P O BOX 520
GRAND CANYON AZ 86023

TWIN HAWKS UTILITY INC
P O BOX 70022
TUCSON AZ 85737

1 UTILITY SOURCE LLC
721 E SAN PEDRO
GILBERT AZ 85234

2 UTILITY SYSTEMS LLC
HC 2 BOX 164-H
PAYSON AZ 85541

3

4 VAIL WATER CO
1010 N FINANCE CENTER DR SUITE 200
TUCSON AZ 85710

5 VALENCIA WATER CO INC
21410 N 19TH AVE SUITE 201
PHOENIX AZ 85027

6

7 VALLE VERDE WATER CO
12 GARDEN VIEW DR
NOGALES AZ 85621

8 VALLEY PIONEERS WATER CO INC
5998 W CHINO DR
GOLDEN VALLEY AZ 86413

9

10 VALLEY UTILITIES WATER CO INC
6808 N DYSART RD SUITE 112
GLENDALE AZ 85307

11 VALLEY VIEW WATER CO INC
10030 W MCDOWELL RD SUITE 150-402
AVONDALE AZ 85392

12

13 VERDE LAKES WATER CORP
2867 S VERDE LAKES DR #B
CAMP VERDE AZ 86322

14 VERDE SANTA FE WASTEWATER CO INC
6825 E TENNESSEE AVE SUITE 547
DENVER CO 80224

15

16 VIRGIN MTN UTILITIES CO
P O BOX 668
BEAVER DAM AZ 85432

17 VIVA DEVELOPMENT CORP
P O BOX 12863
TUCSON AZ 85732

18

19 VOYAGER AT WHITE MTN LAKES WATER CO
1993 JUNIPER RIDGE RESORT
SHOW LOW AZ 85901

20

21 VOYAGER WATER CO
8701 S KOLB RD
TUCSON AZ 85706

22 WALDEN MEADOWS COMMUNITY CO-OP
9325 DONEGAL DR SUITE A
WILHOIT AZ 86332

23

24 WALNUT CREEK WATER CO INC
119 E ANDY DEVINE AVE
KINGMAN AZ 86401

25 WATCO INC
P O BOX 1270
SHOW LOW AZ 85902

26

27 WATER UTILITY OF GREATER BUCKEYE
21419 N 19TH AVE SUITE 201
PHOENIX AZ 85027

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WATER UTILITY OF GREATER TONOPAH
21410 N 19TH AVE SUITE 201
PHOENIX AZ 85027

WATER UTILITY OF NORTHERN SCOTTSDALE
21410 N 19TH AVE SUITE 201
PHOENIX AZ 85027

WHITE HORSE RANCH OWNERS ASSOC
P O BOX 6710
DEWEY AZ 86327-0660

WHITE MTN WATER CO
P O BOX 1760
PAYSON AZ 85547

WHY UTILITY CO INC
P O BOX 69
AJO AZ 85321

WICKENBURG RANCH WATER LLC
4222 E CAMELBACK H100
PHOENIX AZ 85018

WILHOT WATER CO INC
P O BOX 870
CLARKDALE AZ 85324

HECKETHORN WATER CO
4400 E BUTTON LANE
FLAGSTAFF AZ 86001

SALOME WATER CO
P O BOX 550
SALOME AZ 85348

WILLOW LAKES PROPERTY OWNERS ASSOC
P O BO 875
BENSON AZ 85602

WILLOW SPRINGS UTILITIES LLC
1600 E HANLEY BLVD SUITE 128
ORO VALLEY AZ 85737

WILLOW VALLEY WATER CO INC
21410 N 19TH AVE SUITE 201
PHOENIX AZ 85027

WINCHESTER WATER CO LLC
7616 N LA CHOLLA BLVD
TUCSON AZ 85741

WINSLOW WEST WATER CO INC
P O BOX 3339
SCOTTSDALE AZ 85271

WOODRUFF UTILITY CO INC
2555 E CAMELBACK RD SUITE 700
PHOENIX AZ 85016

WOODRUFF WATER CO INC
2555 E CAMELBACK RD SUITE 700
PHOENIX AZ 85016

HO-TYE WATER CO
580 W WICKENBURG WAY
WICKENBURG AZ 85390

YARNELL WATER IMPROVEMENT ASSOC
P O BOX 727
YARNELL AZ 85362

1 YUCCA WATER ASSOC INC
P O BOX 575
YUCCA AZ 86438

2 ERNEST G. JOHNSON, DIRECTOR
UTILITIES DIVISION
3 ARIZONA CORPORATION COMMISSION
1200 WEST WASHINGTON STREET
4 PHOENIX, AZ 85007

5 JANICE ALWARD, CHIEF COUNSEL
LEGAL DIVISION
ARIZONA CORPORATION COMMISSION
6 1200 WEST WASHINGTON STREET
PHOENIX, AZ 85007

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per week.

R4-20-118. Unprofessional Conduct

In addition to actions specified in A.R.S. § 32-1696, unprofessional conduct in the practice of optical dispensing includes the following:

1. Substandard care as specified in R4-20-119;
2. Failing to maintain a copy of the customer's prescription and or failing to prepare and maintain a record of optical devices dispensed for at least three years. The record shall include the brand, style and size of the frame, if any, and the style, material, and all other information necessary to accurately reproduce each lens. The records shall be separate from optometrists' or physicians' records;
3. Failing or refusing to make a copy of a record described in subsection (2) promptly available to the customer, who is the subject of the record, the customer's designated representative, the customer's prescribing practitioner, or the Board or its investigator, when requested. Notwithstanding this provision, a dispensing optician need not make the record of contact lenses dispensed on a trial basis available to the customer; and
4. Failing or refusing to take corrective action or investigate a customer complaint concerning the manufacture or fit of eyeglasses, contact lenses, or other optical devices dispensed at the establishment by which the dispensing optician is employed if there is a substantial basis for the complaint;
5. Failure of any person, corporation, company, partnership, firm, association or society to maintain an active optical establishment license; and
6. Failure to comply with a Board order.

NOTICE OF PROPOSED RULEMAKING

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS;
 SECURITIES REGULATION**

**CHAPTER 2. CORPORATION COMMISSION
 FIXED UTILITIES**

[R08-27]

PREAMBLE

1. **Sections Affected**

R14-2-402	<u>Rulemaking Action</u>
R14-2-602	Amend
	Amend
2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statute: Arizona Constitution Article XV § 3; A.R.S. §§ 40-202; 40-203; 40-321, 40-322, 40-281, 40-282.

Implementing statute: Arizona Constitution Article XV § 3; A.R.S. §§ 40-202; 40-203; 40-321, 40-322, 40-281, 40-282.
3. **A list of all previous notices appearing in the Register addressing the proposed rule:**

Notice of Rulemaking Docket Opening: 14 A.A.R. 460, February 15, 2008 (*in this issue*)
4. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name:	Robin Mitchell, Esq. Legal Division, Arizona Corporation Commission
Address:	1200 W. Washington St. Phoenix, AZ 85007
Telephone:	(602) 542-3402
Fax:	(602) 542-4870
E-mail:	rmitchell@azcc.gov
or	
Name:	Steve Olea, Assistant Director

DECISION NO. _____

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Notices of Proposed Rulemaking

Utilities Division, Arizona Corporation Commission

Address: 1200 W. Washington St.
Phoenix, AZ 85007

Telephone: (602) 542-7270

Fax: (602) 542-2129

E-mail: solea@azcc.gov

5. An explanation of the rule, including the agency's reasons for initiating the rule:

These amendments will amend existing rules (R14-2-402 and R14-2-602), both entitled "Certificate of Convenience and Necessity" ("CC&N"). The proposed amendments and changes to these rules are designed to provide the Arizona Corporation Commission and the Commission's staff more information in the application for a new CC&N or for an extension of a CC&N. This additional information will aid Staff in its analysis and the Commission in its determination of the public interest when granting or denying a CC&N or a CC&N extension for water service and sewer service.

6. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

None

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

NOTE – The Arizona Corporation Commission is exempt from the requirements of A.R.S. § 41-1055 relating to economic, small business, and consumer impact statements. See A.R.S. § 41-1057(2). However, under A.R.S. § 41-1057(2), the Arizona Corporation Commission is required to prepare a "substantially similar" statement.

Companies providing water service or wastewater service may incur additional costs resulting from the requirements for notification to affected landowners, developers and nearby municipalities and nearby water and wastewater service providers of an application for a new CC&N or an extension to a CC&N. Utilities may incur additional costs resulting from additional research and other communications with landowners. However, by providing this additional information in the application, applicants may incur lower organizational costs and may reduce regulatory costs thereby reducing the upward pressure on rates of customers of water and wastewater utilities which are forming or expanding. The rule change amendments should reduce the time period between the date of application and the date of a final order in the matter which would allow for faster development of the property.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Robin Mitchell, Esq.
Legal Division, Arizona Corporation Commission

Address: 1200 W. Washington St.
Phoenix, AZ 85007

Telephone: (602) 542-3402

Fax: (602) 542-4870

E-mail: rrmitchell@azcc.gov

or

Name: Steve Olea, Assistant Director
Utilities Division, Arizona Corporation Commission

Address: 1200 W. Washington St.
Phoenix, AZ 85007

Telephone: (602) 542-7270

Fax: (602) 542-2129

E-mail: solea@azcc.gov

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

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Public comment will be held on two separate dates and two separate locations: 1) April 14, 2008, beginning at 10:00 a.m. and in Room 222 in the Tucson offices of the Arizona Corporation Commission located at 400 W. Congress St., Tucson, AZ 85701, or 2) April 15, 2008, beginning at 10:00 a.m. in the Hearing Room of the Arizona Corporation Commission located at 1200 W. Washington St., Phoenix, AZ 85007. Hearing requests initial written comments be received on or before March 17, 2008 and responsive comments be received on or before March 28, 2008. However, written comments will be accepted through April 15, 2008. Comments should be submitted to Docket Control at the above address. Please reference docket number ACC-00000A-05-0613 on all documents.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS;
SECURITIES REGULATION**

**CHAPTER 2. CORPORATION COMMISSION
FIXED UTILITIES**

ARTICLE 4. WATER UTILITIES

Section

R14-2-402. Certificate of Convenience and Necessity for water utilities; ~~abandonments~~

ARTICLE 6. SEWER UTILITIES

Section

R14-2-602. Certificate of Convenience and Necessity for sewer utilities; ~~additions/extensions; abandonments~~

ARTICLE 4. WATER UTILITIES

R14-2-402. Certificate of Convenience and Necessity for water utilities; ~~abandonments~~

A. For purpose of this rule, "contiguous" is defined with its common, ordinary and approved meaning: In actual close contact; touching; bounded or traversed by.

A-B. Application for new Certificate of Convenience and Necessity or extension of Certificate of Convenience and Necessity.

1. Any person or entity who desires to construct and/or operate a water utility will, prior to commencement of construction of utility facilities, file an application for a Certificate of Convenience and Necessity with the Arizona Corporation Commission.
2. ~~Six copies of each~~ Each application for a new Certificate of Convenience and Necessity or extension of a Certificate of Convenience and Necessity shall be submitted in a form and number prescribed by the Commission and shall include, at a minimum, the following information:
 - a. The proper name and correct address of the proposed utility company and its owner, if a sole proprietorship, each partner if a partnership, ~~or the President and Secretary if a corporation, or its managers and/or members of the L.L.C. (if management is reserved to the members) if an L.L.C.~~
 - b. A copy of the applicant's Articles of Partnership or Articles of Incorporation ~~for the applicant and/or Bylaws if the utility is a non-profit organization or association or Articles of Organization if the utility is an L.L.C. for a new Certificate of Convenience and Necessity or the applicant's Certificate of Good Standing for an extension.~~
 - e. The type of plant, property, or facility proposed to be constructed.
 - ~~d-c.~~ A complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to properly describe the principal systems and components which meet the requirements of the health department. Final and complete engineering specifications shall be supplied when they become available (e.g. source, storage, transmission lines, distribution lines, etc.) in order to verify the costs submitted as part of subsection (B)(2)(d) and to verify that the requirements of the Commission and the Arizona Department of Environmental Quality can be met.
 - d. The estimated total construction cost of the proposed offsite and onsite plant facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as, but not limited to debt, equity, advances in aid of construction or contributions in aid of construction.
 - e. ~~The rates proposed to be charged for the service that will be rendered.~~

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- e. The financial condition of the applicant.
- f. The estimated total cost of the proposed construction.
- f. The rates proposed to be charged for the service that will be rendered.
- g. The manner of capitalization and method of financing for the project.
- h. The financial condition of the applicant.
- i-g. The estimated annual operating revenues and expenses that are expected to accrue from the proposed construction for the first five years of operation, including assumptions made to derive the estimates.
- j-h. The estimated starting and completion date of the proposed construction. If construction is to be phased, the phases shall be described in detail.
- i. A copy of any requests for service for the area under application with the requested water service provider identified.
- ke-j. Maps of the proposed service area identifying:
 - i. The boundaries of the area under application with the total acreage noted.
 - ii. Land ownership boundaries indicating the acreage of each parcel within the area under application if the area under application is comprised of two or more parcels that are owned by different parties.
 - iii. The owner of each parcel comprising the area under application.
 - iv. The corporate limits of any city or town that cross or are within five miles of the area under application.
 - v. The service territory of any public service corporation, municipality or district currently providing water or wastewater service within one mile of the area under application, the name of any such entity and types of service being provided.
 - vi. The location of any known water service connections within the area under application.
 - vii. The location of all proposed developments for the area under application.
 - viii. The proposed location of all principal systems and components described in subsection (B)(2)(c).
 - ix. The location of all parcels for which a copy of a request for service has been provided per R14-2-402(B)(2)(i).
- k. A copy of applicant's notice to the municipal manager or administrator of each entity in subsection (B)(2)(j)(iv).
- l. A copy of the applicant's notice of the application to all the landowners in the area under application who did not request service.
- m. The written response to the notice from each landowner who did not request service.
- n. If a landowner did not respond to the notice of the application, the application shall include a description of the action taken by the applicant to obtain a written response from the land owner.
- h-o. Appropriate city, county and/or state agency approvals.
- m-p. The estimated number of customers to be served for each of the first five years of operation, including documentation to support the estimates.
- q. The name of the wastewater service provider in the area under application along with a letter from the wastewater service provider confirming the provision of such service and a description of how the applicant will work with the wastewater service provider to encourage water conservation, including promoting the use of reclaimed water.
- r. A description of how water will be provided for golf courses, ornamental lakes, other aesthetic water features, greenbelts, or parks within the area under application.
- s. Plans or description of water conservation measures. Such plans shall include, at a minimum, the following:
 - i. A description of the information about water conservation or water saving measures that the utility provides to the public and its customers;
 - ii. A description of the sources of water that will be used to supply parks, recreation areas, golf courses, greenbelts, ornamental lakes, and other aesthetic features;
 - iii. A description of plans for the use of reclaimed water;
 - iv. A description of plans for the use of recharge wells;
 - v. A description of plans for the use of surface water; and
 - vi. A description of any other plans or programs in place to promote water conservation.
- t. Backflow prevention tariff, if not already on file.
- u. Curtailed tariff, if not already on file.
- v. Physical Availability Determination, Analysis of Adequate Water Supply, or Analysis of Assured Water Supply from the Arizona Department of Water Resources or, in the alternative, the status of the application.
- w. For applications for extensions of Certificate of Convenience and Necessity, the applicant shall also submit:
 - i. A current compliance status report from the Arizona Department of Environmental Quality. This status report shall be dated no more than 30 days before the filing date of the application for extension.
 - ii. A water use data sheet for existing systems. A separate water use data sheet, identified by the Arizona Department of Environmental Quality Public Water System Identification Number, shall be submitted for each separate water system.

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3. Upon the receipt of such application, the Commission staff of the Utilities Division shall review the application for compliance with the information requirements of this regulation; additional information, amendments and/or corrections to the application to bring the application into compliance with this regulation shall be governed by the Commission's rules of administrative and hearing requirements concerning incomplete applications.
4. Once the applicant has satisfied the information requirements of this regulation, as well as any additional information required by the staff of the Commission's Utilities Division, the Commission shall, as expeditiously as reasonably practicable, schedule hearings to consider such application.

~~B.C.~~ Application for discontinuance or abandonment of utility service

1. Any utility proposing to discontinue or abandon utility service currently in use by the public shall prior to such action obtain authority therefore from the Commission.
2. The utility shall include in the application, studies of past, present and prospective customer use of the subject service, plant or facility as is necessary to support the application.
3. An application shall not be required to remove individual facilities where a customer has requested service discontinuance.

~~C.D.~~ Additions/ or extensions of service contiguous to outside existing Certificates of Convenience and Necessity.

1. Each utility which proposes to extend utility service to a ~~location~~ parcel not within its certificated service area, but located in a non-certificated area contiguous to its certificated service area, shall prior to the extension of service, notify the Commission of such service extension.
2. Such notifications shall be in writing and shall be verified and shall set forth, at a minimum:
 - a. The number of persons or entities proposed to be served by such service extension,
 - b. ~~Their~~ The location of the persons or entities in relation to the certificated area of the utility, and
 - c. A statement of the utility that the service extension is to a non-certificated area parcel which is contiguous to its certificated area, and
 - d. Where emergency service is required to be provided to a customer in a non-certificated area contiguous to the utility certificated area the utility shall advise the Commission simultaneously of such extension and the written notification shall set forth the nature and extent of the emergency.
2. ~~For purpose of this rule the following definition of "contiguous" is: Contiguous—Common, ordinary and approved meaning. In actual close contact, touching, bounded or traversed by.~~

ARTICLE 6. SEWER UTILITIES

RI4-2-602. Certificate of Convenience and Necessity for sewer utilities; ~~additions/extensions; abandonments~~

~~A.~~ For purpose of this rule, "contiguous" is defined with its common, ordinary and approved meaning: In actual close contact, touching, bounded or traversed by.

~~A.B.~~ Application for new Certificate of Convenience and Necessity or extension of Certificate of Convenience and Necessity.

1. Any person or entity who desires to construct and/or operate a sewer utility will, prior to commencement of construction of utility facilities, file an application for a Certificate of Convenience and Necessity with the Arizona Corporation Commission.
2. ~~Six copies of each~~ Each application for a new Certificate of Convenience and necessity or extension of a certificate of Convenience and Necessity shall be submitted in a form and number prescribed by the Commission and shall include, at a minimum, the following information:
 - a. The proper name and correct address of the proposed utility company and its owner, if a sole proprietorship, each partner if a partnership, ~~or the President and Secretary if a corporation,~~ or its managers and/or members of the L.L.C. (if management is reserved to the members) if an L.L.C.
 - b. A copy of the applicant's Articles of Co-Partnership or Articles of Incorporation ~~for the applicant and/or Bylaws if the utility is a non-profit organization or association, or Articles of Organization if the utility is an L.L.C. for a new Certificate of Convenience and Necessity or the applicant's Certificate of Good Standing for an extension.~~
 - e. ~~The type of plant, property, or facility proposed to be constructed.~~
 - ~~d.c.~~ A complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to properly describe the principal systems and components and final and complete engineering specifications when they become available (e.g., collection mains, trunk lines, lift stations, treatment plants, effluent disposal areas, etc.) in order to verify the costs submitted as part of subsection (B)(2)(e) and to verify that the requirements of the Commission and the Arizona Department of Environmental Quality can be met.
 - d. A copy of the Aquifer Protection Permit issued by the Arizona Department of Environmental Quality for the proposed area or, in the alternative, the status of the application for the Aquifer Protection Permit.
 - e. The rates proposed to be charged for the service that will be rendered because of the proposed construction. The estimated total construction cost of the proposed offsite and onsite plant facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as, but not limited to

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- debt, equity, advances in aid of construction or contributions in aid of construction.
- f. The estimated total cost of the proposed construction.
- g. The manner of capitalization and method of financing for the project.
- h-f. The financial condition of the applicant.
- g. The rates proposed to be charged for the service that will be rendered.
- i-h. The estimated annual operating revenues and expenses that are expected to accrue from the proposed construction for the first five years of operation, including assumptions made to derive the estimates.
- j-i. The estimated starting and completion date of the proposed construction. If construction is to be phased, the phases shall be described in detail.
- j. A copy of any request for service for the area under application with the requested wastewater service provider identified.
- k. Maps of the proposed service area, identifying:
- i. The boundaries of the area under application with the total acreage noted.
 - ii. Land ownership boundaries indicating the acreage of each parcel within the area under application if the area under application is comprised of two or more parcels that are owned by different parties.
 - iii. The owner of each parcel comprising the area under application.
 - iv. The corporate limits of any city or town that cross or are within five miles of the area under application.
 - v. The service territory of any public service corporation, municipality or district currently providing water or wastewater service within one mile of the area under application, the name of any such entity and the types of services it is providing.
 - vi. The location of any known sewer service connections within the area under application.
 - vii. The location of all proposed developments for the area under application.
 - viii. The proposed location of all principal systems and components described in subsection (B)(2)(c).
 - ix. The location of all parcels for which a copy of a request for service has been provided per subsection (B)(2)(j).
- h. Appropriate city, county and/or state agency approvals.
- l. A copy of the applicant's notice to the municipal manager or administrator of each entity in subsection (B)(2)(k)(iv).
- m. Estimated number of customers to be served for the first five years of operation, including documentation to support the estimates.
- m. A copy of the applicant's notice of the application to all the landowners in the area under application who did not request service.
- n. The written response to the notice from each landowner in the area under application who did not request service.
- o. Appropriate city, county and/or state agency approvals.
- p. Estimated number of customers to be served for the first five years of operation, including documentation to support the estimates.
- q. The name of the water service provider in the area under application.
- r. A description of how effluent from the area under application will be reused, or if not reused, a description of the disposition of the effluent.
- s. For applications for an extension of a Certificate of Convenience and Necessity, the applicant shall also submit:
- i. A current compliance status report from the Arizona Department of Environmental Quality. This status report shall be dated no more than 30 days before the filing date of the application for extension.
 - ii. A wastewater flow data sheet for existing systems.
3. Upon the receipt of such application, the Commission staff shall review the application for compliance with the information requirements of this regulation; additional information, amendments and/or corrections to the application to bring the application into compliance with this regulation shall be governed by the Commission's rules of administrative and hearing requirements concerning incomplete applications.
4. Once the applicant has satisfied the information requirements of this regulation, the Commission shall, as expeditiously as reasonably practicable, schedule hearings to consider such application.
- B-C.** Additions/ or extensions of service contiguous to existing Certificates of Convenience and Necessity. Each utility which proposes to extend utility service to a person parcel not located within its certificated service area, but located in a non-certificated area contiguous to its certificated service area, shall, prior to the extension of service, notify the Commission of such service extension. Such notification shall be in writing and shall be verified and shall set forth, at a minimum, the number of persons or entities proposed to be served by such service extension, their location in relation to the certificated area of the utility and a statement of the utility that the service extension is to a non-certificated area parcel which is contiguous to its certificated area. Where emergency service is required to be provided to a customer in a non-certificated area contiguous to the utility certificated area, the utility shall advise the Commission simultaneously of such extension and the written notification shall set forth the nature and extent of the emergency.
- C-D.** Application for authority to abandon, sell, lease, transfer, or otherwise dispose of a utility. Any utility proposing to sell,

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lease, transfer, or otherwise dispose of the utility shall, prior to such sale, lease, transfer, or other disposal, file an application for authority to do so including the following information:

1. The address of the applicant.
2. A description of the utility property proposed to be abandoned, sold, leased, transferred or otherwise disposed of.
3. The financial condition of the applicant.
4. The name of the purchaser, lessee or assignee.
5. The terms and conditions of the proposed abandonment, sale, lease, or assignment and copies of any agreement which has been or will be executed concerning the same.
6. The effect of the proposed transaction upon the service of the applicant.
7. The method by which the proposed transaction is to be financed.
8. The effect the proposed transaction will have on any other utility and, if so, in what respect.

D.E. Application for discontinuance or abandonment of utility service

1. Any utility proposing to discontinue or abandon any type of utility service currently in use by the public shall prior to such action obtain authority therefore from the Commission.
2. The utility shall include in the application, studies of past, present and prospective customer use of the subject service plant or facility as is necessary to support the application.
3. An application shall not be required to remove individual facilities where a customer has requested service discontinuance.

MEMORANDUM

TO: Docket Control Center

FROM: Ernest G. Johnson
EGJ Director
Utilities Division

DATE: May 15, 2008

RE: IN THE MATTER OF RULEMAKING TO AMEND EXISTING RULES AND/OR ESTABLISH NEW RULES REGARDING THE COMMISSION'S REQUIREMENTS FOR APPLICATIONS REQUESTING APPROVAL TO OBTAIN A NEW CERTIFICATE OF CONVENIENCE AND NECESSITY OR EXTEND AN EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY FOR WATER AND SEWER UTILITIES (DOCKET NOS. RW-00000B-07-0051 AND RSW-00000A-07-0051)

At the Public Comment session held in this matter in Phoenix on April 15, 2008, the Administrative Law Judge ("ALJ") requested that Staff prepare a summary of the comments on the proposed rulemaking received after February 15, 2008 and requested the agency response to the comments. February 15, 2008 was the date of publication of the Notice of Rulemaking Docket Opening in the Arizona Administrative Register. The ALJ also requested that Staff use Decision No. 69675 issued June 28, 2007, regarding Pipeline Safety rules, A.R.S. Section 41-101 (14) (d) (iii) and a 2002 Notice of Final Rulemaking as a guides "for form and content".

The Commission received nine written comments and two oral comments from interested parties since the publication of the proposed rules. As requested, the following lists the summaries of the written and oral comments received since the publishing of the Notice of Rulemaking Docket Opening on February 15, 2008.

Pulte Home Corporation

March 13, 2008

Michele Van Quathem, Ryley, Carlock & Applewhite

Pulte is primarily concerned about the changes to the Rules which would require more information about the landowner's or developer's land use, water use and conservation plans and that the Commission might use this information to limit water and land uses in a manner inconsistent with existing rights or laws.

Pulte also is concerned about language adopted at the January 15, 2008 Open Meeting which listed the specific plans and information which would be required. The adopted language

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used the verb "shall" in relation to what the utility must do. Pulte believes that the language could be interpreted to mean that the information listed is mandatory and that such information may not be available at the time of the application. Thus Pulte recommends that for R14-2-402(B)(2)(r) and (s), the phrase "if available" be included.

Arizona Water Company

March 17, 2008

Arizona Water reiterated comments made previously, before publication of the Rules. Arizona Water believes that the information required in 14-2-B.2.q and .s (information regarding conservation) should be provided on a voluntary basis and that the Department of Water Resources adequately addresses these issues. It also states that the proposed mapping and notice requirements are unduly burdensome. Arizona Water also believes that the new section 14-2-402.B.2.k and 14-2-402.B.2.n and 14-2-402.B.2.j are burdensome and unnecessary. It also objects to 14-2-402.B.2.i because it believes this rule implies that the Commission would be allowing the person or entity requesting service to determine who the service provider will be.

City of Surprise

March 28, 2008

Danielle D. Janitch, Osborn Maledon

The City of Surprise submitted comments responding to comments submitted by Arizona Water Company. Specifically, the City of Surprise supports the requirement to provide notice to any municipality within five miles of the area under application because such notice ensures that municipalities will be able to provide the Commission relevant information about the area to be served and such notice will reduce the costs of monitoring Commission proceedings. The City of Surprise also supports the inclusion of municipal city limits within five miles of the area under application on the map required as part of the application. Surprise believes this requirement will "address the rapid pace of municipal annexation now occurring across Arizona."

City of Avondale

April 3, 2008

Charles P. McClendon, City Manager

The City of Avondale supports the comments of the City of Goodyear.

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City of Goodyear

April 4, 2008

Shawn Bradford, Director of Water Resources

The City of Goodyear supports the comments provided by the City of Surprise on March 28, 2008. It "strongly" believes that the provision of a "notice of application" be provided to municipalities near the area under application and the submission of a map that includes the municipalities in the area are in the public interest. This helps in service and annexation decisions. Goodyear has three private utilities operating in the incorporated City limits.

Town of Gilbert

April 9, 2008

Steven M. Berman, Mayor

The Town of Gilbert supports the comments of the City of Surprise filed on March 28, 2008.

Town of Queen Creek

April 10, 2008

Arthur Sanders, Mayor

The Town of Queen Creek supports the comments of the City of Surprise filed on March 28, 2008.

Town of Buckeye

April 11, 2008

Jeanine Guy, Interim Town Manager

The Town of Buckeye supports the comments of the City of Surprise filed on March 28, 2008. The Town believes the noticing and mapping requirements will facilitate communication among interested parties.

Arizona Water Company

April 15, 2008

Robert Geake

In its comments, Arizona Water responds to the comments of the Cities of Surprise, Goodyear and Avondale. Arizona Water reiterates that the new notice and map requirements would "add to the regulatory burden that CCN applicants would face..." and that those sections

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(Sections 14-2-402(B)(2)(j) and (l)) are not necessary. Arizona Water believes that the Commission's e-docket service provides ease of monitoring CC&N applications.

Arizona Water Company

Patrick Black

April 15, 2008

Oral Comment at Public Comment Proceeding

A representative of Arizona Water expresses concern about having an opportunity to respond to the Economic Impact Statement, the summary of comments and Staffs responses to the comments. His concerns were procedural and the ALJ explained the procedural process at the public comment session.

City of Surprise

Danielle D. Janitch

April 15, 2008

Oral Comment at Public Comment Proceeding

A representative of the City of Surprise spoke in support of the proposed notice requirements because the City had determined the requirements would ensure that the Commission would receive all the information necessary and relevant to the applicant in a timely and efficient manner.

Staff Response

The comments from the cities uniformly supported the notice and mapping requirements which they believe will be helpful in their efforts to monitor CC&N dockets relevant to their interests. Thus, these comments need no resolution.

As to the written comments of Arizona Water Company, the Company reiterated previously submitted comments. The Commission weighed those comments in its deliberations on January 15, 2008, at Open Meeting, and rejected them. Arizona Water believes the proposed notice and mapping requirements to be especially burdensome. Staff believes the cities have made a strong case in their support of these proposed requirements and that the time and effort expended by the utilities to comply with the mapping and notice requirements will be at least partially offset by the time savings experienced by the cities in their efforts to be informed about utility matters that affect them. Also, it is in the public interest for the cities to be fully informed regarding which utility may or may not be serving in their planning areas to avoid duplication or excess plant and to facilitate planning.

Arizona Water's oral comments were limited to procedural issues and addressed by the ALJ.

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Finally, Pulte requests that the requirement to include the applicants' plans for how water will be provided for golf courses and other water features in the proposed CC&N area be altered. The Company requests that the language requiring that the applicant "shall" file certain information be changed to "shall file, if available". Such a change would allow an application to be found sufficient even if the plans for water features have not been determined. This is counter to the Commission's general policy stressing the importance of conservation. The Commission clearly desires to review such plans. Also, filing such plans with the application would save time and possibly shorten the processing of the case compared to later in the case through a data request or request from an ALJ. Staff does not recommend a change in the language from that published.

During the public comment session in Tucson on April 14, 2008, the ALJ questioned Staff in regard to specific language or the lack thereof. Staff has reviewed the transcripts and maintains the positions reflected in the transcript.

EGJ:LAJ:lm

ECONOMIC, SMALL BUSINESS AND CONSUMER IMPACT STATEMENT
PER A.R.S. SECTION 41-1055

1. BRIEF DESCRIPTION: These amendments will amend existing rules (R14-2-402 and R14-2-602), both entitled "Certificate of Convenience and Necessity". The proposed amendments and changes to the existing R14-2-402 and R14-2-602 ("the Rules") are designed to provide the Arizona Corporation Commission ("the Commission") and the Commission's Staff ("the Staff") more information in the application for a new Certificate of Convenience and Necessity ("CC&N) or for an extension of a CC&N. This additional information will aid Staff in its analysis and the Commission in its determination of the public interest when granting or denying a CC&N or a CC&N extension for water service and sewer service.
2. NEED: Currently the Rules require certain information to be included in an application for a new CC&N or an extension of a CC&N. However, the Rules indicate that the required information is the minimum information to be included in the application. During the processing of the application and the administrative hearing on the application, the Commission and Staff often request further information either through data requests, during the administrative hearing or late-filed exhibits. This slows the process down. The Rule changes would fulfill the need to reduce delays by requiring all information necessary to review the application at the beginning of the process. This does not mean that additional, case-specific information will not be required by Staff.

The Rule change also would require information not currently requested during any part of the proceedings. This information is necessary to help Staff and the Commission determine the need for the new CC&N or the extension of a CC&N and the proximity of potential municipal providers.

The Rule change is also needed to enable Staff and the Commission to verify that affected landowners have been properly notified of the CC&N proceeding.

3. NAME AND ADDRESS OF AGENCY EMPLOYEE WHO MAY BE CONTACTED TO SUBMIT ADDITIONAL DATA ON THE INFORMATION INCLUDED IN THIS STATEMENT:

Steve Olea, Assistant Director, Utilities Division
Arizona Corporation Commission
2200 North Central Avenue, Suite 300
Phoenix, Arizona 85007
Telephone Number (602) 542-7270; Fax Number (602) 542-2129

4. AFFECTED CLASSES OF PERSONS:

- A. Land owners and developers who want to form a water or wastewater utility.
- B. Owners and operators of water and wastewater utilities who want to extend their CC&Ns.
- C. Landowners whose land is within the proposed CC&N area or the proposed CC&N extension area.
- D. Land owners or developers desiring service from a water or sewer utility.
- E. Customers of water and wastewater utilities.
- F. Nearby water and wastewater service providers.

5. RULE IMPACT ON AFFECTED CLASSES OF PERSONS:

- A. The impact on land owners and developers who want to form a water or wastewater utility should be lower organizational costs. They should experience a reduction in the frequency of interaction with the Commission Staff and a reduction in the time necessary to prepare data responses and responses to letters of insufficiency. This, in turn, should reduce accounting and attorney fees.

Also, adoption of the proposed Rule changes should reduce the time period between the date of the application and the date of a final order in the matter which would allow for faster development of the property.

- B. The impact on owners and operators of water and wastewater utilities who want to extend their CC&Ns should be similar to those impacts listed under A. However, the utilities would be required to provide more information than is currently required by the Rules. The impact on the utilities will be additional research, noticing, and other communication with landowners.
- C. Landowners whose land is included in the potential CC&N service area, will have ample opportunity to comment regarding being included in the service area.
- D. The impact on land owners or developers desiring service from a water or sewer utility should be lower organizational costs.
- E. The impact on current and future customers of the water or wastewater utilities at issue would be lower costs flowing through to rates. The costs of forming or extending a CC&N are generally capitalized and amortized over a long period of time. Those costs may be included in rates. If those costs are lower, rates will be lower than otherwise.
- F. Nearby water and wastewater providers will be provided more adequate notice, thereby allowing them more opportunity to provide comment to the Commission regarding approval of another nearby similar utility.

6. COSTS AND BENEFITS TO THE AGENCY: The proposed changes will have a minimal cost effect on the Commission and will have no impact on costs experienced by other state agencies. Although the proposed changes would require additional Staff time to verify that the application is administratively complete because the applications will be more comprehensive, the Commission will benefit by having necessary information at the beginning of the CC&N process rather than by delaying the process while performing extensive discovery after the application is filed.
7. COSTS AND BENEFITS TO POLITICAL SUBDIVISIONS: There will be no increases or decreases in costs to political subdivisions because the Commission does not have jurisdiction over political subdivisions and the Rules do not apply to them. Political subdivisions that provide water or sewer service in the vicinity of CC&N applications may benefit by being provided notice of such applications.
8. COSTS AND BENEFITS TO PRIVATE PERSONS: The proposed changes may reduce upward pressure on the rates of customers of water and wastewater utilities which are forming or expanding due to reduced regulatory costs.
9. COST AND BENEFITS TO CONSUMERS OR USERS OF ANY PRODUCT OR SERVICE IN THE IMPLEMENTATION OF THE NEW RULES. The proposed changes may reduce upward pressure on the rates of customers of water and wastewater utilities which are forming or expanding due to reduced regulatory costs.
10. LESS COSTLY OR INTRUSIVE METHODS: The changes to the rules are the least costly method to obtain information necessary for the Commission to decide CC&N and CC&N extension cases.
11. ALTERNATIVE METHODS CONSIDERED: There are no alternative methods to obtain the desired information in a timely manner.

EXHIBIT D

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION

CHAPTER 2. CORPORATION COMMISSION
FIXED UTILITIES

ARTICLE 4. WATER UTILITIES

Section

R14-2-402. ~~Certificate~~ Certificates of Convenience and Necessity for water utilities; abandonments Water Utilities; Extensions of Certificates of Convenience and Necessity for Water Utilities; Abandonment, Sale, Lease, Transfer, or Disposal of a Water Utility; Discontinuance or Abandonment of Water Utility Service

ARTICLE 6. SEWER UTILITIES

Section

R14-2-602. ~~Certificate~~ Certificates of Convenience and Necessity for sewer utilities; additions/extensions; abandonments Sewer Utilities; Extensions of Certificates of Convenience and Necessity for Sewer Utilities; Abandonment, Sale, Lease, Transfer, or Disposal of a Sewer Utility; Discontinuance or Abandonment of Sewer Utility Service

ARTICLE 4. WATER UTILITIES

R14-2-402. ~~Certificate~~ Certificates of Convenience and Necessity for water utilities; abandonments Water Utilities; Extensions of Certificates of Convenience and Necessity for Water Utilities; Abandonment, Sale, Lease, Transfer, or Disposal of a Water Utility; Discontinuance or Abandonment of Water Utility Service

A. In this Section, unless otherwise specified:

- 1. "Applicant" means a person who submits an application to obtain a Certificate of Convenience and Necessity to construct water utility facilities or operate as a water utility or to extend the service area under an existing Certificate of Convenience and Necessity held by the person.**
- 2. "CC&N" means Certificate of Convenience and Necessity.**
- 3. "Commission" means the Arizona Corporation Commission.**
- 4. "Contiguous" means in actual contact, touching, such as by sharing a common border.**
- 5. "Extension area" means the geographic area that an applicant is requesting to have added to the applicant's existing CC&N service area.**

A.B. Application for ~~a new Certificate of Convenience and Necessity~~ CC&N or extension of a CC&N

- 1. Any person ~~or entity~~ who desires to construct water utility facilities and/or or to operate ~~as a water utility will~~ shall, prior to ~~commencement of commencing~~ construction of utility facilities or operations, file with the Commission an**

- ~~application for a Certificate of Convenience and Necessity with the Arizona Corporation Commission CC&N and obtain Commission approval.~~
2. Any utility that desires to extend its CC&N service area shall file with the Commission an application for a CC&N extension.
 3. Before filing an application for a CC&N or a CC&N extension, a person shall provide written notice of the person's intention to file the application to each person who owns land within the proposed service area or extension area and who has not requested service. Each written notice to a landowner shall include, at a minimum:
 - a. The legal name, physical address, mailing address (if different), and telephone number of the intended applicant;
 - b. The approximate date by which the application will be filed;
 - c. The type of services to be provided if the application is approved;
 - d. The physical addresses and toll-free telephone numbers, in Phoenix and Tucson, for the Consumer Services Section of the Commission; and
 - e. The following information:
 - i. That the recipient is a property owner within the proposed service area or extension area;
 - ii. That if the application is granted, the intended applicant will be the exclusive provider of the specific services to the proposed service area or extension area and will be required by the Commission to provide those services under rates and charges and terms and conditions established by the Commission;
 - iii. That a CC&N does not prohibit persons from providing services only to themselves using their own facilities on their own property, although other applicable laws may restrict such activity;
 - iv. That the application is available for inspection during regular business hours at the offices of the Commission and at the offices of the intended applicant;
 - v. That the Commission will hold a hearing on the application;
 - vi. That the landowner may have the right to intervene in the proceeding and may appear at the hearing and make a statement on his or her own behalf even if the landowner does not intervene;
 - vii. That the landowner may contact the Commission for the date and time of the hearing and for information on intervention;
 - viii. That the landowner may not receive any further notice of the application proceeding unless requested; and
 - ix. That the landowner may contact the intended applicant or the Consumer Services Section of the Commission if the landowner has any questions or concerns about the application, has any objections to approval of the application, or wishes to make a statement in support of the application.
 4. Within 10 days after filing an application for a CC&N or a CC&N extension, an applicant shall provide written notice of the application to the municipal manager or administrator of each municipality with corporate limits that overlap with or

are within five miles of the proposed service area or extension area. Each written notice shall include, at a minimum:

- a. The applicant's legal name, mailing address, and telephone number;
- b. The date the application was filed;
- c. The type of services to be provided if the application is approved;
- d. A description of the requested service area or extension area, expressed in terms of cadastral (quarter section) or metes and bound survey;
- e. The Commission docket number assigned to the application; and
- f. Instructions on how to obtain a copy of the application.

2-5. ~~Six copies of each~~ Each application for a new Certificate of Convenience and Necessity CC&N or CC&N extension shall be submitted in a form and number prescribed by the Commission and shall include, at a minimum, the following information:

- a. The ~~proper~~ applicant's legal name, and ~~correct~~ mailing address, and telephone number of the proposed utility company and its owner, if a sole proprietorship, each partner if a partnership, or the President and Secretary if a corporation;
- b. If the applicant will or does operate the utility under a different business name, the name under which the applicant will be doing business;
- c. The full name, mailing address, and telephone number of a management contact for the applicant;
- d. The full name, mailing address, and telephone number of the attorney for the applicant, if any;
- e. The full name, mailing address, and telephone number of the operator certified by the Arizona Department of Environmental Quality who is or will be working for the applicant;
- f. The full name, mailing address, and telephone number of the on-site manager for the applicant;
- g. Whether the applicant is a corporation, a partnership, a limited liability company, a sole proprietor, or another specified type of legal entity;
- h. If the applicant is a corporation, the following:
 - i. Whether the applicant is a "C" corporation, an "S" corporation, or a non-profit corporation and whether the corporation is domestic or foreign;
 - ii. A list of the full names, titles, and mailing addresses of each of the applicant's officers and directors;
 - iii. A copy of the applicant's certificate of good standing issued by the Commission's Corporations Division;
 - iv. Unless the applicant is applying for a CC&N extension, a certified copy of the applicant's articles of incorporation and by-laws; and
 - v. If the applicant is a for-profit corporation, the number of shares of stock authorized for issue and, if any stock has been issued, the number of shares issued and date of issuance;
- i. If the applicant is a partnership, the following:
 - i. Whether the applicant is a limited partnership or a general partnership and whether the partnership is domestic or foreign;

- ii. The full names and mailing addresses of the applicant's general partners;
- iii. The full names, mailing addresses, and telephone numbers of the applicant's managing partners;
- iv. Unless the applicant is applying for a CC&N extension, a copy of the applicant's articles of partnership; and
- v. If the applicant is a foreign limited partnership, a copy of the applicant's certificate of registration filed with the Arizona Secretary of State;
- j. If the applicant is a limited liability company, the following:
 - i. The full names and mailing addresses of the applicant's managers or, if management is reserved to the members, the applicant's members;
 - ii. Unless the applicant is applying for a CC&N extension, a copy of the applicant's articles of organization;
- k. The legal name and mailing address of each other utility in which the applicant has an ownership interest;
- l. A description of the requested service area or extension area, expressed in terms of cadastral (quarter section) or metes and bound survey;
- m. The name of each county in which the requested service area or extension area is located and a description of the area's location in relation to the closest municipality, which shall be named;
- b. A copy of the Articles of Partnership or Articles of Incorporation for the applicant and/or Bylaws if the utility is a non-profit organization, or association.
- e. The type of plant, property, or facility proposed to be constructed.
- d.n. A complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to properly describe the each water system and the principal systems and components which meet the requirements of the health department. Final and complete engineering specifications shall be supplied when they become available, of each water system (e.g., source, storage, transmission lines, distribution lines, etc.) to allow verification of the estimated costs provided under subsection (B)(5)(o) and verification that the requirements of the Commission and the Arizona Department of Environmental Quality can be met;
- o. The estimated total construction cost of the proposed offsite and onsite facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as through debt, equity, advances in aid of construction, contributions in aid of construction, or a combination thereof;
- e. The rates proposed to be charged for the service that will be rendered.
- p. Documentation establishing the applicant's financial condition, including at least the applicant's current assets and liabilities, an income statement, the applicant's estimated revenue and expenses for the first five years following approval of the application, and the estimated value of the

- applicant's utility plant in service for the first five years following approval of the application;
- f. The estimated total cost of the proposed construction.
 - g. The rates proposed to be charged for services rendered, shown in the form of a proposed tariff that complies with Commission standards;
 - h. The manner of capitalization and method of financing for the project.
 - i. The financial condition of the applicant.
 - j. The estimated annual operating revenues and expenses that are expected to accrue from the proposed construction, for the first five years of operation for the requested service area or extension area, expressed separately for residential, commercial, industrial, and irrigation services, and including a description of each assumption made to derive the estimates;
 - k. The A detailed description of the proposed construction timeline for facilities, with estimated starting and completion date of the proposed construction, dates and, if construction is to be phased, a description of each separate phase of construction;
 - l. A copy of any requests for service from persons who own land within the proposed service area or extension area, which shall identify the applicant by name;
 - m. Maps of the proposed service area or extension area identifying:
 - n. The boundaries of the area, with the total acreage noted;
 - o. The land ownership boundaries within the area, with the acreage of each separately owned parcel within the area noted;
 - p. The owner of each parcel within the area;
 - q. Any municipality corporate limits that overlap with or are within five miles of the area;
 - r. The service area of any public service corporation, municipality, or district currently providing water or wastewater service within one mile of the area, with identification of the entity providing service and each type of service being provided;
 - s. The location within the area of any known water service connections that are already being provided service by the applicant;
 - t. The location of all proposed developments within the area;
 - u. The proposed location of each water system and the principal components described in subsection (B)(5)(n); and
 - v. The location of all parcels for which a copy of a request for service has been submitted per subsection (B)(5)(t);
 - w. A copy of each notice to be sent, as required under subsection (B)(4), to a municipal manager or administrator;
 - x. A copy of each notice sent, as required under subsection (B)(3), to a landowner not requesting service;
 - y. For each landowner not requesting service, either the written response received from the landowner or, if no written response was received, a description of the actions taken by the applicant to obtain a written response;

- l.y. Appropriate A copy of each city, county, and/or or state agency approvals- approval required by law to construct the proposed facilities or operate the utility within the proposed service area or extension area or, for any approval not yet obtained, the status of the applicant's application for the approval;
- m.z. The estimated number of customers to be served for each of the first five years of operation, expressed separately for residential, commercial, industrial, and irrigation customers and including documentation to support the estimates-;
- aa. A description of how wastewater service is to be provided in the proposed service area or extension area and the name of each wastewater service provider for the area, if any;
- bb. A letter from each wastewater service provider identified under subsection (B)(5)(aa), confirming the provision of wastewater service for the proposed service area or extension area;
- cc. Plans for or a description of water conservation measures to be implemented in the proposed service area or extension area, including, at a minimum:
 - i. A description of the information about water conservation or water saving measures that the utility will provide to the public and its customers;
 - ii. A description of how the applicant will work with each wastewater service provider identified under subsection (B)(5)(aa) to encourage water conservation;
 - iii. A description of the sources of water that will be used to supply parks, recreation areas, golf courses, greenbelts, ornamental lakes, and other aesthetic water features;
 - iv. A description of any plans for the use of reclaimed water;
 - v. A description of any plans for the use of recharge facilities;
 - vi. A description of any plans for the use of surface water; and
 - vii. A description of any other plans or programs to promote water conservation;
- dd. A backflow prevention tariff that complies with Commission standards, if not already on file;
- ee. A curtailment tariff that complies with Commission standards, if not already on file;
- ff. A copy of a Physical Availability Determination, Analysis of Adequate Water Supply, or Analysis of Assured Water Supply issued by the Arizona Department of Water Resources for the proposed service area or extension area or, if not yet obtained, the status of the application for such approval;
- gg. If the applicant is requesting a CC&N extension:
 - i. A current compliance status report from the Arizona Department of Environmental Quality, dated no more than 30 days before the date the CC&N extension application is filed, for each water system operated by the applicant, as identified by a separate

Arizona Department of Environmental Quality Public Water System Identification Number; and

- ii. A water use data sheet for the water system being extended by the applicant; and
- hh. The notarized signature of the applicant.
- 3-6. Upon the receipt of such receiving an application under subsection (B)(5), the Commission staff of the Utilities Division shall review and process the application for compliance with the information requirements of this regulation; additional information, amendments and/or corrections to the application to bring the application into compliance with this regulation shall be governed by the Commission's rules of administrative and hearing requirements concerning incomplete applications in accordance with the requirements of R14-2-411.
- 4-7. Once the applicant has satisfied the information requirements of this regulation, as well as any additional information required by the staff of the Commission's Utilities Division staff determines that an application submitted under subsection (B)(5) is administratively complete, the Commission shall, as expeditiously as reasonably practicable, schedule hearings a hearing to consider such the application.

B.C. Application for discontinuance or abandonment of utility service

- 1. Any A utility proposing to shall not discontinue or abandon any utility service currently in use by the public shall prior to such action without first obtain obtaining authority therefor from the Commission.
- 2. The A utility desiring to discontinue or abandon a service shall include in the application, file with the Commission an application identifying the utility; including studies of data regarding past, present and prospective estimated future customer use of the subject service; ; describing any plant or facility that would no longer be in use if the application were approved as is necessary to support the application; and explaining why the utility desires to discontinue or abandon the service.
- 3. An application shall not be required A utility is not required to apply for Commission approval to remove individual facilities where a customer has requested service discontinuance.

D. Application for authority to abandon, sell, lease, transfer, or otherwise dispose of a utility

- 1. A utility shall not abandon, sell, lease, transfer, or otherwise dispose of its facilities or operation without first obtaining authority therefor from the Commission.
- 2. A utility desiring to abandon, sell, lease, transfer, or otherwise dispose of its facilities or operation shall file with the Commission an application that includes, at a minimum:
 - a. The legal name, physical address, mailing address (if different), and telephone number of the utility;
 - b. A description of the utility property proposed to be abandoned, sold, leased, transferred, or otherwise disposed of;
 - c. Documentation establishing the utility's financial condition, including at least the utility's current assets and liabilities, an income statement, the

- d. utility's revenue and expenses for the most recently completed 12-month accounting period, and the value of the utility's utility plant in service;
The legal name, physical address, mailing address (if different), and telephone number of any proposed purchaser, lessee, transferee, or assignee;
- e. The terms and conditions of the proposed abandonment, sale, lease, transfer, or assignment and copies of any agreement that has been or will be executed concerning the transaction;
- f. A description of the effect that the proposed transaction will have upon the utility's services;
- g. The method by which the proposed transaction is to be financed;
- h. A description of the effect that the proposed transaction will have upon any other utility;
- i. The number of customers to be affected by the proposed transaction; and
- j. A description of the effect that the proposed transaction will have upon customers.

C.E. Additions/ or extensions of service contiguous to outside existing Certificates of Convenience and Necessity CC&N service areas

1. ~~Each~~ Except in the case of an emergency, a utility which that proposes to extend utility service to a location parcel not within its certificated service area, but located in a non-certificated area contiguous to its certificated CC&N service area, shall prior to the extension of service, notify the Commission of such before the service extension occurs.
2. ~~Such notifications~~ Each notification required under subsection (E)(1) shall be in writing, and shall be verified, and shall set forth, at a minimum;
 - a. The legal name, mailing address, and telephone number of the utility;
 - b. ~~the~~ The number of persons or entities proposed to be served by such service extension, in the contiguous parcel;
 - c. ~~their location~~ The legal description of the contiguous parcel and the location of the structures to be served therein, in relation to the utility's CC&N service certificated area of the utility; and
 - d. ~~a~~ A statement of the utility that the service extension is will be extended only to a non-certificated area parcel which is contiguous to its certificated the utility's CC&N service area.
3. ~~Where~~ When emergency service is required to be provided to a customer person in a non-certificated area contiguous to the utility certificated a utility's CC&N service area, the utility shall advise notify the Commission simultaneously of such the service extension as soon as possible after the service extension occurs by providing written notice that includes the information required under subsection (E)(2) and the written notification shall set forth describes the nature and extent of the emergency.
2. ~~For purpose of this rule the following definition of "contiguous" is: Contiguous— Common, ordinary and approved meaning. In actual close contact; touching; bounded or traversed by.~~

ARTICLE 6. SEWER UTILITIES

R14-2-602. Certificate Certificates of Convenience and Necessity for sewer utilities; additions/extensions; abandonments Sewer Utilities; Extensions of Certificates of Convenience and Necessity for Sewer Utilities; Abandonment, Sale, Lease, Transfer, or Disposal of a Sewer Utility; Discontinuance or Abandonment of Sewer Utility Service

A. In this Section, unless otherwise specified:

1. “Applicant” means a person who submits an application to obtain a Certificate of Convenience and Necessity to construct sewer utility facilities or operate as a sewer utility or to extend the service area under an existing Certificate of Convenience and Necessity held by the person.
2. “CC&N” means Certificate of Convenience and Necessity.
3. “Commission” means the Arizona Corporation Commission.
4. “Contiguous” means in actual contact, touching, such as by sharing a common border.
5. “Extension area” means the geographic area that an applicant is requesting to have added to the applicant’s existing CC&N service area.

A-B. Application for a new Certificate of Convenience and Necessity CC&N or extension of a CC&N

1. Any person or entity who desires to construct sewer utility facilities and/or or to operate as a sewer utility willshall, prior to commencement of commencing construction of utility facilities or operations, file with the Commission an application for a Certificate of Convenience and Necessity with the Arizona Corporation Commission CC&N and obtain Commission approval.
2. Any utility that desires to extend its CC&N service area shall file with the Commission an application for a CC&N extension.
3. Before filing an application for a CC&N or a CC&N extension, a person shall provide written notice of the person’s intention to file the application to each person who owns land within the proposed service area or extension area and who has not requested service. Each written notice to a landowner shall include, at a minimum:
 - a. The legal name, physical address, mailing address (if different), and telephone number of the intended applicant;
 - b. The approximate date by which the application will be filed;
 - c. The type of services to be provided if the application is approved;
 - d. The physical addresses and toll-free telephone numbers, in Phoenix and Tucson, for the Consumer Services Section of the Commission; and
 - e. The following information:
 - i. That the recipient is a property owner within the proposed service area or extension area;
 - ii. That if the application is granted, the intended applicant will be the exclusive provider of the specific services to the proposed service area or extension area and will be required by the Commission to provide those services under rates and charges and terms and conditions established by the Commission;

- iii. That a CC&N does not prohibit persons from providing services only to themselves using their own facilities on their own property although other applicable laws may restrict such activity;
 - iv. That the application is available for inspection during regular business hours at the offices of the Commission and at the offices of the intended applicant;
 - v. That the Commission will hold a hearing on the application;
 - vi. That the landowner may have the right to intervene in the proceeding and may appear at the hearing and make a statement on his or her own behalf even if the landowner does not intervene;
 - vii. That the landowner may contact the Commission for the date and time of the hearing and for information on intervention;
 - viii. That the landowner may not receive any further notice of the application proceeding unless requested; and
 - ix. That the landowner may contact the intended applicant or the Consumer Services Section of the Commission if the landowner has any questions or concerns about the application, has any objections to approval of the application, or wishes to make a statement in support of the application.
4. Within 10 days after filing an application for a CC&N or a CC&N extension, an applicant shall provide written notice of the application to the municipal manager or administrator of each municipality with corporate limits that overlap with or are within five miles of the proposed service area or extension area. Each written notice shall include, at a minimum:
- a. The applicant's legal name, mailing address, and telephone number;
 - b. The date the application was filed;
 - c. The type of services to be provided if the application is approved;
 - d. A description of the requested service area or extension area, expressed in terms of cadastral (quarter section) or metes and bound survey;
 - e. The Commission docket number assigned to the application; and
 - f. Instructions on how to obtain a copy of the application.
- 2.5. Six copies of each Each application for a new Certificate of Convenience and Necessity CC&N or CC&N extension shall be submitted in a form and number prescribed by the Commission and shall include, at a minimum, the following information:
- a. The proper applicant's legal name, and correct mailing address, and telephone number of the proposed utility company and its owner, if a sole proprietorship, each partner if a partnership, or the President and Secretary if a corporation;
 - b. If the applicant will or does operate the utility under a different business name, the name under which the applicant will be doing business;
 - c. The full name, mailing address, and telephone number of a management contact for the applicant;
 - d. The full name, mailing address, and telephone number of the attorney for the applicant, if any;

- e. The full name, mailing address, and telephone number of the operator certified by the Arizona Department of Environmental Quality who is or will be working for the applicant;
- f. The full name, mailing address, and telephone number of the on-site manager for the applicant;
- g. Whether the applicant is a corporation, a partnership, a limited liability company, a sole proprietor, or another specified type of legal entity;
- h. If the applicant is a corporation, the following:
 - i. Whether the applicant is a "C" corporation, an "S" corporation, or a non-profit corporation and whether the corporation is domestic or foreign;
 - ii. A list of the full names, titles, and mailing addresses of each of the applicant's officers and directors;
 - iii. A copy of the applicant's certificate of good standing issued by the Commission's Corporations Division;
 - iv. Unless the applicant is applying for a CC&N extension, a certified copy of the applicant's articles of incorporation and by-laws; and
 - v. If the applicant is a for-profit corporation, the number of shares of stock authorized for issue and, if any stock has been issued, the number of shares issued and date of issuance;
- i. If the applicant is a partnership, the following:
 - i. Whether the applicant is a limited partnership or a general partnership and whether the partnership is domestic or foreign;
 - ii. The full names and mailing addresses of the applicant's general partners;
 - iii. The full names, mailing addresses, and telephone numbers of the applicant's managing partners;
 - iv. Unless the applicant is applying for a CC&N extension, a copy of the applicant's articles of partnership; and
 - v. If the applicant is a foreign limited partnership, a copy of the applicant's certificate of registration filed with the Arizona Secretary of State;
- j. If the applicant is a limited liability company, the following:
 - i. The full names and mailing addresses of the applicant's managers or, if management is reserved to the members, the applicant's members;
 - ii. Unless the applicant is applying for a CC&N extension, a copy of the applicant's articles of organization;
- k. The legal name and mailing address of each other utility in which the applicant has an ownership interest;
- l. A description of the requested service area or extension area, expressed in terms of cadastral (quarter section) or metes and bound survey;
- b. A copy of the Articles of Co-Partnership or Articles of Incorporation for the applicant and/or Bylaws if the utility is a non-profit organization or association.
- e. The type of plant, property, or facility proposed to be constructed.

- m. The name of each county in which the requested service area or extension area is located and a description of the area's location in relation to the closest municipality, which shall be named;
- d.n. A complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to properly describe the each sewer system and the principal systems and components, and final and complete engineering specifications when they become available. of each sewer system (e.g., collection mains, trunk lines, lift stations, treatment plants, effluent disposal areas, etc.) to allow verification of the estimated costs provided under subsection (B)(5)(p) and verification that the requirements of the Commission and the Arizona Department of Environmental Quality can be met;
- o. A copy of the Aquifer Protection Permit issued by the Arizona Department of Environmental Quality for the proposed service area or extension area or, if not yet obtained, the status of the application for the Aquifer Protection Permit;
- e.p. The rates proposed to be charged for the service that will be rendered because of the proposed construction. The estimated total construction cost of the proposed offsite and onsite facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as through debt, equity, advances in aid of construction, contributions in aid of construction, or a combination thereof;
- f. The estimated total cost of the proposed construction.
- g. The manner of capitalization and method of financing for the project.
- h.q. The Documentation establishing the applicant's financial condition of the applicant., including at least the applicant's current assets and liabilities, an income statement, the applicant's estimated revenue and expenses for the first five years following approval of the application, and the estimated value of the applicant's utility plant in service for the first five years following approval of the application;
- r. The rates proposed to be charged for services rendered, shown in the form of a proposed tariff that complies with Commission standards;
- i.s. The estimated annual operating revenues and expenses that are expected to accrue from the proposed construction. for the first five years of operation for the requested service area or extension area, expressed separately for residential, commercial, industrial, and irrigation services, and including a description of each assumption made to derive the estimates;
- j.t. The A detailed description of the proposed construction timeline for facilities, with estimated starting and completion date of the proposed construction. dates and, if construction is to be phased, a description of each separate phase of construction;
- u. A copy of any requests for service from persons who own land within the proposed service area or extension area, which shall identify the applicant by name;
- k.v. Maps of the proposed service area- or extension area identifying:

- i. The boundaries of the area, with the total acreage noted;
- ii. The land ownership boundaries within the area, with the acreage of each separately owned parcel within the area noted;
- iii. The owner of each parcel within the area;
- iv. Any municipality corporate limits that overlap with or are within five miles of the area;
- v. The service area of any public service corporation, municipality, or district currently providing water or wastewater service within one mile of the area, with identification of the entity providing service and each type of service being provided;
- vi. The location within the area of any known sewer service connections that are already being provided service by the applicant;
- vii. The location of all proposed developments within the area;
- viii. The proposed location of each sewer system and the principal components described in subsection (B)(5)(n); and
- ix. The location of all parcels for which a copy of a request for service has been submitted per subsection (B)(5)(u);
- ~~l. Appropriate city, county and/or state agency approvals.~~
- w. A copy of each notice to be sent, as required under subsection (B)(4), to a municipal manager or administrator;
- ~~m. Estimated number of customers to be served for the first five years of operation, including documentation to support the estimates.~~
- x. A copy of each notice sent, as required under subsection (B)(3), to a landowner not requesting service;
- y. For each landowner not requesting service, either the written response received from the landowner or, if no written response was received, a description of the actions taken by the applicant to obtain a written response;
- z. A copy of each city, county, or state agency approval required by law to construct the proposed facilities or operate the utility within the proposed service area or extension area or, for any approval not yet obtained, the status of the applicant's application for the approval;
- aa. The estimated number of customers to be served for each of the first five years of operation, expressed separately for residential, commercial, industrial, and irrigation customers and including documentation to support the estimates;
- bb. A description of how water service is to be provided in the proposed service area or extension area and the name of each water service provider for the area, if any;
- cc. A description of how effluent from the area will be reused or, if not reused, disposed of;
- dd. If the applicant is requesting a CC&N extension:
 - i. A current compliance status report from the Arizona Department of Environmental Quality, dated no more than 30 days before the date the CC&N extension application is filed, for each wastewater

system operated by the applicant, as identified by a separate Arizona Department of Environmental Quality Identification Number; and

ii. A wastewater flow data sheet for the wastewater system being extended by the applicant; and

ee. The notarized signature of the applicant.

~~3-6.~~ Upon the receipt of such receiving an application under subsection (B)(5), the Commission Utilities Division staff shall review and process the application for compliance with the information requirements of this regulation; additional information, amendments and/or corrections to the application to bring the application into compliance with this regulation shall be governed by the Commission's rules of administrative and hearing requirements concerning incomplete applications in accordance with the requirements of R14-2-610.

~~4-7.~~ Once the applicant has satisfied the information requirements of this regulation Utilities Division staff determines that an application submitted under subsection (B)(5) is administratively complete, the Commission shall, as expeditiously as reasonably practicable, schedule hearings a hearing to consider such the application.

B.C. Additions/ or extensions of service contiguous to existing Certificates of Convenience and Necessity. CC&N service areas

1. ~~Each~~ Except in the case of an emergency, a utility which that proposes to extend utility service to a person parcel not located within its certificated service area, but located in a nonecertificated non-certificated area contiguous to its eertificated CC&N service area; shall, prior to the extension of service, notify the Commission of such before the service extension occurs.

2. ~~Such~~ Each notification required under subsection (C)(1) shall be in writing, and shall be verified, and shall set forth, at a minimum;:

a. The legal name, mailing address, and telephone number of the utility;

b. ~~the~~ The number of persons or entities proposed to be served by such service extension, in the contiguous parcel;

c. ~~their location~~ The legal description of the contiguous parcel and the location of the structures to be served therein, in relation to the eertificated utility's CC&N service area; of the utility and

d. ~~a~~ A statement of the utility that the service extension is will be extended only to a non-certificated area parcel which is contiguous to its eertificated the utility's CC&N service area.

3. ~~Where~~ When emergency service is required to be provided to a customer person in a non-certificated area contiguous to the utility-certificated a utility's CC&N service area, the utility shall advise notify the Commission simultaneously of such the service extension as soon as possible after the service extension occurs by providing written notice that includes the information required under subsection (C)(2) and the written notification shall set forth describes the nature and extent of the emergency.

C.D. Application for authority to abandon, sell, lease, transfer, or otherwise dispose of a utility-

1. A utility shall not abandon, sell, lease, transfer, or otherwise dispose of its facilities or operation without first obtaining authority therefor from the Commission.
2. ~~Any A utility proposing~~ desiring to abandon, sell, lease, transfer, or otherwise dispose of the utility its facilities or operation shall, prior to such sale, lease, transfer, or other disposal, file with the Commission an application for authority to do so including the following information that includes, at a minimum:
 1. a. The legal name, physical address, mailing address (if different), and telephone number of the applicant utility;
 2. b. A description of the utility property proposed to be abandoned, sold, leased, transferred or otherwise disposed of;
 3. c. The Documentation establishing the utility's financial condition, including at least the utility's current assets and liabilities, an income statement, the utility's revenue and expenses for the most recently completed 12-month accounting period, and the value of the utility's utility plant in service of the applicant;
 4. d. The legal name, physical address, mailing address (if different), and telephone number of any proposed purchaser, lessee, transferee, or assignee;
 5. e. The terms and conditions of the proposed abandonment, sale, lease, transfer, or assignment and copies of any agreement which that has been or will be executed concerning the same transaction;
 6. f. The A description of the effect of that the proposed transaction will have upon the service of the applicant utility's services;
 7. g. The method by which the proposed transaction is to be financed;
 8. h. The A description of the effect that the proposed transaction will have upon any other utility and, if so, in what respect;
 - i. The number of customers to be affected by the proposed transaction; and
 - j. A description of the effect that the proposed transaction will have upon customers.

D.E. Application for discontinuance or abandonment of utility service

1. ~~Any A utility proposing to~~ shall not discontinue or abandon any type of utility service currently in use by the public shall prior to such action without first obtain obtaining authority therefor from the Commission.
2. ~~The A utility desiring to discontinue or abandon a service shall include in the application, file with the Commission an application identifying the utility, including studies of data regarding past, present and prospective estimated future customer use of the subject service, ; describing any plant or facility that would no longer be in use if the application were approved as is necessary to support the application; and explaining why the utility desires to discontinue or abandon the service.~~
3. ~~An application shall not be required~~ A utility is not required to apply for Commission approval to remove individual facilities where a customer has requested service discontinuance.