



0000097377

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

MAY - 5 2009

COMMISSIONERS

- KRISTIN K. MAYES, Chairman
- GARY PIERCE
- PAUL NEWMAN
- SANDRA D. KENNEDY
- BOB STUMP

DOCKETED BY	ne
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IN THE MATTER OF THE APPLICATION
OF THE DELLS WATER COMPANY, INC.
FOR A PERMANENT RATE INCREASE.

DOCKET NO. W-01384A-07-0314

DECISION NO. 70975

**ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 70102**

Open Meeting
April 28 and 29, 2009
Phoenix, Arizona

BY THE COMMISSION:

* * * * *

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

FINDINGS OF FACT

1. On December 21, 2007, the Arizona Corporation Commission ("Commission") issued Decision No. 70102 which approved the application by the Dells Water Company, Inc. ("Company" or "Applicant") for a permanent rate increase.

2. The Commission's Decision approving the Company's application for a rate increase was conditioned upon the Company meeting certain conditions as follows:

- that the Company file, by December 31, 2008, with the Commission's Docket Control as a compliance item in this docket, a copy of the Arizona Department of Environmental Quality ("AEDQ") Certificate of Approval of Construction ("AOC") for utility plant to increase storage capacity;¹
- that the Company file, within 13 months of the effective date of the Decision, a Water Loss Report for one full year in the manner described in the Decision;

¹ Since the Commission found in Decision No. 70102 that the Company had inadequate storage to serve its existing customers, the Commission required the Company to add 20,000 gallons of additional water storage facilities. To verify that the additional storage was added, the Company was ordered to file the ADEQ AOC referred to hereinabove.

- 1 • that Applicant notify its customers of the water rates and charges approved in the
2 Decision and their effective date by means of an insert in the monthly billing which
3 precedes the month in which they become effective and file a copy of the notice sent
4 to its customers with the Commission's Docket Control as a compliance item in this
5 docket,² and
- 6 • that the approved rates authorized in Decision No. 70102 not go into effect until the
7 first day of the month following the filing with the Commission's Docket Control, as a
8 compliance item in this docket, a copy of an agreement to pay current and delinquent
9 property taxes between the Company and the Yavapai County Treasurer's Office.

10 3. On February 1, 2008, the Company filed a copy of a letter and receipt from the
11 Yavapai County Treasurer's Office which indicated that the Company had paid all delinquent
12 property taxes through 2007 and was current on the payments.

13 4. On January 25, 2008, following the issuance of Decision 70102 in this docket, the
14 Company filed an application in Docket No. W-01384A-08-0048 requesting authorization to incur
15 long-term debt for a \$30,000 loan from the Water Infrastructure Authority ("WIFA") to fund the
16 construction of two new 10,000 gallon storage tanks. ADEQ must approve the construction and issue
17 the AOC for the storage tanks.

18 5. While the financing application was pending, on January 27 and 30, 2009, the
19 Company filed a request for an extension of time in order to file copies of the ADEQ AOC and the
20 Water Loss Report, respectively. According to the Company, the delay in securing the AOC for the
21 additional storage was due to the processing of the Company's financing application and the Water
22 Loss Report was delayed because the Company had discovered that one of its two wells had a
23 defective well meter on it during the summer of 2008 and had to be replaced.

24 6. On January 15, 2009, the Commission's Utilities Division ("Staff") filed its report
25 recommending approval of the Company's financing application which would provide funds for the
26 construction of the Company's planned new storage tanks. The Staff Report also recommended that
27 the Company be granted an extension until December 31, 2009, to file a copy of the ADEQ AOC for
28 the storage facilities.

7. On March 20, 2009, Staff filed a memorandum in this docket concerning the three

² With the Company's April 2008 billing, the Company mailed its customers notice of its new rates and charges which would become effective on May 1, 2008, but failed to file, with the Commission's Docket Control, a copy of the customer notice sent to Company customers at that time. Subsequently, on March 3, 2009, the Company late-filed a copy of the notice which it had mailed to its customers in April 2008 informing them of their new rates and charges pursuant to Decision No. 70102.

1 compliance items required by Decision No. 70102 - the ADEQ AOC, the Water Loss Report and the
2 notice to customers. Staff reaffirmed its previous recommendation for the Company to file: a copy
3 of the ADEQ AOC by December 31, 2009; the Water Loss Report should be filed on or before
4 August 31, 2009, based on water usage data from August 1, 2008, to July 31, 2009, or the nearest full
5 12-month period following the well meter replacement; and the customer rate notification which had
6 been satisfied by the Company's late-filing of the notification on March 3, 2009.

7 8. Staff's recommendation with respect to the AOC was adopted with the Commission's
8 approval of the financing application in Decision No. 70953 (April 7, 2009) and the Company was
9 ordered to file by December 31, 2009, a copy of the ADEQ AOC.

10 9. Staff further recommended that the Company should be admonished for failing to
11 comply with Commission Orders in a timely fashion in the future.

12 10. Under the circumstances, the Company should be granted an extension of time in
13 which to file a copy of its Water Loss Report as recommended by Staff, but Applicant should be put
14 on notice that in the future, the Company may be subject to sanctions if it fails to timely comply with
15 any prior or future Commission Decisions.

16 CONCLUSIONS OF LAW

17 1. The Company is a public service corporation within the meaning of Article XV of the
18 Arizona Constitution and A.R.S. §§ 40-250 and 40-251.

19 2. The Commission has jurisdiction over Applicant and of the subject matter of the
20 extension request addressed herein.

21 3. Staff's recommendation for the extension of time to file the Company's Water Loss
22 Report should be adopted, and the Company should further comply with all future Commission
23 Orders in a timely fashion or be subject to sanctions.

24 ORDER

25 IT IS THEREFORE ORDERED that the Dells Water Company, Inc. shall be granted an
26 extension of time until August 31, 2009, or the nearest full 12-month period following the well meter
27 replacement, to file a copy of its Water Loss Report as required by Decision No. 70102.

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1 IT IS FURTHER ORDERED that the Dells Water Company, Inc. shall timely comply with all
2 prior and future Commission Orders or be subject to sanctions.

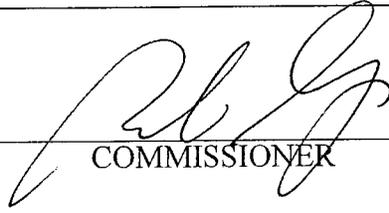
3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

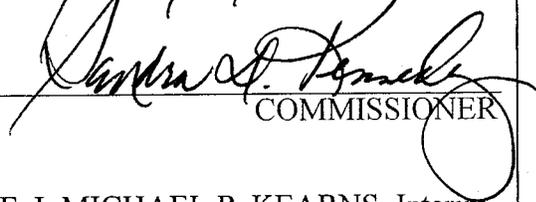
4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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6 
7 CHAIRMAN


COMMISSIONER

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COMMISSIONER


COMMISSIONER


COMMISSIONER

10 IN WITNESS WHEREOF, I, MICHAEL P. KEARNS, Interim
11 Executive Director of the Arizona Corporation Commission,
12 have hereunto set my hand and caused the official seal of the
13 Commission to be affixed at the Capitol, in the City of
14 Phoenix, this 5TH day of MAY, 2009.

15 
16 MICHAEL P. KEARNS
17 INTERIM EXECUTIVE DIRECTOR

18 DISSENT _____

19 DISSENT _____

20 MES:db

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1 SERVICE LIST FOR:

THE DELLS WATER COMPANY, INC.

2 DOCKET NO.:

W-01384A-07-0314

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