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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Transcript Exhibit(s)

Docket #(s): W-02021A-12-0378

Exhibit #: AL, SI

Arizona Corporation Commission
DOCKETED

AUG 12 2013

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NEW APPLICATION

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

ARIZONA CORPORATION COMMISSION
APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY
WATER AND/OR SEWER

ARIZONA CORPORATION COMMISSION
HEARING DIVISION
AUG 30 2012

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W-02026A-12-0378

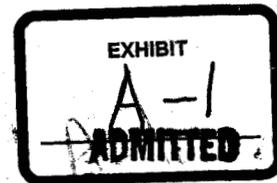
General Information:

The attached forms have been prepared by the Utilities Division of the Arizona Corporation Commission to assist Applicants filing for a Certificate of Convenience and Necessity. The information requirements of this application are designed to comply with the requirements of Arizona Revised Statutes Section 40-101 et. seq., and the Arizona Administrative Code R14-2-402 and R14-2-602.

Use of the attached form is suggested unless an attorney uses a formal pleading format. The information requested in this application must be included within the pleading. Attachment "A" is an example of a letter of transmittal addressed to the Utilities Division Docket Control Center. Please add information to the letter indicating the purpose and reasons for the application. This format should be used unless you are using a Company letterhead. Place this letter at the beginning of the application. Keep this instruction sheet for your information. Do not attach it to the application.

Instructions:

1. Complete the forms accurately, and attach all required documents. This will expedite the processing of the application.
2. Complete all the items that apply to your utility. If an item requested does not apply, mark it "not applicable" (N/A). If you do not complete an item, your application could be delayed.
3. If the space provided is insufficient, put the information on a separate sheet of paper and clearly label the information.
4. If an item is to be filed at a later date, mark the item "to be late filed by" and give the date by which it will be filed.
5. Have the application notarized.



6. Submit an original and thirteen (13) copies of this application.
7. If you plan to finance the plant through debt (long term loans) or equity (stock issuance), a separate financing application must be made with separate notice to the public. A requirement sheet for filing a financing application, and a form of notice, will be sent to you at your request. You may download a copy of the financing application at: <http://www.azcc.gov/divisions/utilities/forms/financeApp.pdf>
8. Attachment "A" is a form of public notification that must be provided all property owners in the area requested in this application. Notice should be mailed to each person who owns land within the proposed service area and who has not requested service before the application is filed. If more than 100 property owners, notice should be given by mail or by publication at least once in a newspaper of general circulation in the service area within 15 days before the application is filed. Proof of notice should be filed with the Commission as part of the application. Hearings will always be held. The Hearing Officer will specify any additional notice in a Procedural Order.
9. Upon receiving an application, Utilities Division staff shall review and process the application in accordance with the requirements of R14-2-411.
10. Once Utilities Division staff determines that an application is administratively complete, the Commission shall, as expeditiously as practicable, schedule a hearing to consider the application.

Filing:

When you have completed the application, mail or deliver it to:

Docket Control Center
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

ARIZONA CORPORATION COMMISSION

APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER AND/OR SEWER

A. The legal name, mailing address and telephone number of the Applicant (Company) is:

DARRELL WALLACE d/b/a BIDE GAIN WATER COMPANY

C/O SAMUEL ACCOUNTING SERVICES 247 S. HILL STREET GLOBE, AZ 85501

928-425-3757

B. If doing business (d.b.a.) under a name other than the Applicant (Company) name listed above, specify:

BIDE GAIN WATER COMPANY

C. List the full name, mailing address and telephone number of the management contact:

KAREN A SAMUEL, EA ACCOUNTANT

247 S HILL STREET GLOBE, AZ 85501

928-425-3757

D. List the full name, mailing address and telephone number of the attorney for the Applicant:

E. List 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:

NONE

F. List the full name, mailing address and telephone number of the on-site manager of the utility:

DARRELL WALLACE 928-812-0323

G. The Applicant is a:

<input type="checkbox"/> Corporation: <input type="checkbox"/> "C", <input type="checkbox"/> "S", <input type="checkbox"/> Non-Profit <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign	<input type="checkbox"/> Partnership <input type="checkbox"/> Limited, <input type="checkbox"/> General <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign
<input checked="" type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Company (LLC)
<input type="checkbox"/> Other (Specify)	

H. If Applicant is a corporation:

1. List full names, titles and mailing addresses of all Officers and Directors:

Officers

Directors

2. Attach a copy of the corporation's "Certificate of Good Standing" issued by the Corporation's Division of the Arizona Corporation Commission.
3. Attach a certified copy of the Articles of Incorporation.
4. Attach a certified copy of the corporation's By-Laws.
5. If a for-profit corporation, indicate the number of shares of stock authorized for issue:
6. If stock has been issued, indicate the number of shares issued and date of issue:

H. If the Applicant is a partnership:

1. List the full name and mailing address of the general partners:

2. List the full name, address and telephone number of the managing partners:

3. Attach a copy of the Partnership's Articles of Partnership.

- If the Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" filed with the Arizona Secretary of State.

I. If the Applicant is a Limited Liability Company:

1. List the full name and mailing address of all the Applicant's managers or, if management is reserved to the members, the Applicant's members:

2. Attach a copy of the Articles of Organization.

J. List the legal name and mailing address of each other utility in which the applicant has an ownership interest:

K. Attach a description of the requested service area, expressed in terms of **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted. UNKNOWN

L. Attach a detailed map using the form provided as Attachment "B". Shade and outline the area requested. Also, indicate any other utility within the general area using different colors. NON AVAILABLE

M. List the name of each county in which the requested service area is located and a description of the area's location in relation to the closest municipality, which shall be named:

IN PINAL COUNTY

N. Attach a complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to describe each water system and the principal components 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. Provide 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.

**ARIZONA CORPORATION COMMISSION
APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND
NECESSITY
WATER**

ANSWERS TO QUESTIONS

- K. *No survey available.*
- L. *none available.*
- M. *The Bidegain Water Company is located in Pinal County*
- N. *Construction was completed in 1985.*
- P. *This is a sole proprietorship. The owner has several other business ventures that have been assisting paying any short fall on the part of Bidegain Water.*
- R. *There is no proposed new construction.*
- S. *All of the persons serviced by Bidegain Water have been serviced since 1985. No additional requests.*
- T. *Since this water company has been in operation for since 1985, there are not maps of the area. The person who constructed the company is dead. There are no new proposed additions to the company.*
- U. *No notices will be sent to municipal managers.*
- V. *To my knowledge there are no landowners in the service area of Bidegain Water that do not receive water from them.*
- W. *See V.*
- X. *Attached is a copy of the Curtailment Tariff already approved?*
- Y. *Since this water company has been in operation since 1985, all required permits, that were necessary at the time the company started operation were obtained by Mr. Bidegain. They were kept by him, and since he and his wife are both dead, we do not have access to them.*
6. *The property taxes for 2009 were 225 and 2010 231.*
- Z. *The number of customers been consistent until recently when they have been experiencing a decline due to the age, and death, of several homeowners on the system. The families have done nothing with the empty homes. The number of household drawing water is 21. The maximum that is possible is 24.*

Most of the customers are residential with only one commercial, and this is union hall.

9

BIDEGAIN WATER COMPANY

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR 1/1/2011	BALANCE AT END OF YEAR 12/31/2011
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 1,077	\$ 2,847
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	-88	264
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 989	\$ 3,111
	FIXED ASSETS		
101	Utility Plant in Service	\$ 35,290	\$ 37,954
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	29,790	30,163
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 5,500	\$ 7,791
	TOTAL ASSETS	\$ 6,489	\$ 10,902

NOTE:

Q2

Bidegain Water Company

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR 1/1/2011	BALANCE AT END OF YEAR 12/31/2011
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 0	\$ 0
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	6,489	10,902
	TOTAL CAPITAL	\$ 6,489	\$ 10,902
	TOTAL LIABILITIES AND CAPITAL	\$ 6,489	\$ 10,902

Bidegain Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR 12/31/2010	CURRENT YEAR 12/31/2011
461	Metered Water Revenue	\$ 2,791	\$ 2,424
460	Unmetered Water Revenue		
474	Other Water Revenues	2,250	2,151
	TOTAL REVENUES	\$ 5,041	\$ 4,575
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	2,508	2,550
618	Chemicals	260	
620	Repairs and Maintenance	6,346	250
621	Office Supplies and Expense	124	302
630	Outside Services	108	756
635	Water Testing	694	500
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense		373
408	Taxes Other Than Income	97	2
408.11	Property Taxes	1,596	204
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 11,733	\$ 4,937
	OPERATING INCOME/(LOSS)	\$ (6,692)	\$ (362)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	205	
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 205	\$
	NET INCOME/(LOSS)	\$ (6497)	\$ (362)

BIDEGAIN WATER
Questions AA-CC

year	Water Used	Revenue	Expenses
2011	1662	4575	4937
2010	1950	5041	11733
2009	2208	4782	4252
2008	2095	5264	3277
2007	3192		

Revenue and expenses for 2007 are unknown.
Also a breakdown between Residential and commercial is unavailable
but the commercial is minimal

BIDEGAIN WATER COMPANY

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
	5	35	610	8		
	5	30	606	6		

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
none		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
3	1	1	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
48,000	1	1,000	1
10,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

Bidegain Water Company

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	steel	650
3		
4	transite	1865
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

none

STRUCTURES:

none

OTHER:

fencing constructed in 2011

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Bidegain Water Company

UTILITY PLANT IN SERVICE 2011

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	3,000		3,000
304	Structures and Improvements	21,700	21,700	
307	Wells and Springs	2,500		2,500
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	8,090	8,090	
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	2,664		2,664
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	37,954	29,790	8,164

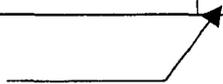
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CALCULATION OF DEPRECIATION EXPENSE FOR 2011

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	2,664	14%	373
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS			373



AMENDMENT TO CURTAILMENT TARIFF
TARIFF SCHEDULE

ORIGINAL

Utility: BIDEGAIN WATER Tariff Sheet No.: 1 of 4
Docket No.: W-02026A-12-0151 Decision No.: _____
Phone No.: 928-425-3757 Effective: May 25, 2012

CURTAILMENT PLAN FOR: BIDEGAIN WATER
(Template 102109)

ADEQ Public Water System No: 110022

BIDEGAIN WATER ("Company"), is authorized to curtail water service to all customers within its certificated area under the terms and conditions listed in this tariff.

This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of the tariff or no later than sixty (60) days after the effective date of the tariff.

The Company shall provide a copy of the curtailment tariff to any customer, upon request.

Stage 1 Exists When:

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

Restrictions: Under Stage 1, the Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

Stage 2 Exists When:

- a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

ADMINISTRATIVELY
APPROVED FOR FILING

Revised October 21, 2009

AMENDMENT TO CURTAILMENT TARIFF
TARIFF SCHEDULE

ORIGINAL

Utility: BIDEGAIN WATER _____
Docket No.: W-02026A-12-0151 _____
Phone No.: 928-425-3757 _____

Tariff Sheet No.: 2 of 4 _____
Decision No.: _____
Effective: May 25, 2012

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

Stage 3 Exists When:

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, the Company shall request the customers to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible. Standpipe service shall be suspended.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Beginning with Stage 3, the Company shall post at least 2 signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.
3. The Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than Stage 3 until a permanent solution has been implemented.

ADMINISTRATIVELY
APPROVED FOR FILING

Revised October 21, 2009

AMENDMENT TO CURTAILMENT TARIFF
TARIFF SCHEDULE

ORIGINAL

Utility: BIDEGAIN WATER
Docket No.: W-02026A-12-0151
Phone No.: 928-425-3757

Tariff Sheet No.: 3 of 4
Decision No.: _____
Effective: May 25, 2012

Stage 4 Exists When:

- a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, Company shall inform the customers of a **mandatory** restriction to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

- Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
- Washing of any vehicle is prohibited
- The use of water for dust control or any outdoor cleaning uses is prohibited
- The use of drip or misting systems of any kind is prohibited
- The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- The use of construction water is prohibited
- Restaurant patrons shall be served water only upon request
- Any other water intensive activity is prohibited

The Company's operation of its standpipe service is prohibited. The addition of new service lines and meter installations is prohibited.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Company shall post at least 2 signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

**ADMINISTRATIVELY
APPROVED FOR FILING**

Revised October 21, 2009

ORIGINAL

**AMENDMENT TO CURTAILMENT TARIFF
TARIFF SCHEDULE**

Utility: BIDEGAIN WATER
Docket No.: W-02026A-12-0151
Phone No.: 928-425-3757

Tariff Sheet No.: 4 of 4
Decision No.: _____
Effective: May 25, 2012

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.

Customers who fail to comply with the above restrictions will be given a written notice to end all outdoor use. Failure to comply with two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

**ADMINISTRATIVELY
APPROVED FOR FILING**

Revised October 21, 2009

Company Name: BIDEGAIN WATER Page 1 of 2**CROSS-CONNECTION OR BACKFLOW TARIFF****ORIGINAL****PURPOSE:**

The purpose of this tariff is to protect BIDEGAIN WATER ("Company") water from the possibility of contamination caused by the backflow of contaminants that may be present on the customer's premises by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code ("A.A.C.") R14-2-405.B.6 and A.A.C. R18-4-215.

REQUIREMENTS:

In compliance with the Rules of the Arizona Corporation Commission ("Commission") and the Arizona Department of Environmental Quality ("ADEQ"), specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-215 relating to backflow prevention:

1. The Company may require a customer to pay for and to have installed a backflow-prevention assembly if A.A.C. R18-4-215.B or C applies.
2. A backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-215.D and E.
3. Subject to the provisions of A.A.C. R14-2-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate service or may deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff
4. The Company shall give any existing customer who is required to install a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is not applicable, the customer shall be given thirty (30) days from the time such written notice is received in which to comply with this notice. If the customer can show good cause as to why he cannot install the backflow-prevention assembly within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.

****FOR OFFICIAL USE ONLY****Effective Date: May 25, 2012**ADMINISTRATIVELY
APPROVED FOR FILING**

Company Name: BIDEGAIN WATER Page 2 of 2**ORIGINAL**

5. Testing shall be in conformance with the requirements of A.A.C. R18-4-215.F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests.
6. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:
- assembly identification number and description;
 - location
 - date(s) of test(s);
 - description of repairs and recommendations for repairs made by tester; and
 - the tester's name and certificate number.
7. In the event the backflow-prevention assembly does not function properly or fails any test, and an obvious hazard as contemplated under A.A.C. R14-2-410.B.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested.
8. In the event the backflow-prevention assembly does not function properly or fails any test, or in the event that a customer fails to comply with the testing requirement, and A.A.C. R14-2-410.B.1.a. is **not** applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency or dysfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C. R14-2-410.

****FOR OFFICIAL USE ONLY****

Effective Date: May 25, 2012ADMINISTRATIVELY
APPROVED FOR FILING

P. Explain the method of financing utility facilities. Refer to the instructions, item no. 7. (Use additional sheets if necessary):

Q. Attach financial information in a format similar to Attachment "C". Include current assets and liabilities, an income statement, estimated revenue and expenses and the estimated value of the applicant's utility plant in service for the first five years following approval of the application.

R. Provide a detailed description of the proposed construction timeline for facilities with estimated starting and completion dates and, if construction is to be phased, a description of each separate phase of construction.

S. Provide 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.

T. Provide maps of the proposed service area identifying:

1. The boundaries of the area, with the total acreage noted;
2. The land ownership boundaries within the area, with the acreage of each separately owned parcel within the area noted;
3. The owner of each parcel within the area;
4. Any municipality corporate limits that overlap with or are within five miles of the area;
5. 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;
6. The location within the area of any known water service connections that are already being provided service by the applicant;
7. The location of all proposed developments within the area;
8. The proposed location of each water system and the principal; and
9. The location of all parcels for which a copy of a request for service has been submitted.

U. Provide a copy of each notice to be sent, as required, to a municipal manager or administrator.

V. A copy of each notice sent, as required, to a landowner not requesting service.

W. For each landowner not requesting service, provide 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.

X. Attach proposed Tariffs using either the water or sewer format of Attachment "D", unless the Utilities Division, prior to the filing of this application, approves another form.

Y. Attach the following permits:

1. The franchise from either the City or County for the area requested.
2. The Arizona Department of Environmental Quality (or its designee's) approval to construct facilities.
3. The Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.)
4. Any U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.)
5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of the utility's Designation of an Assured Water Supply, or the developer's Certificate of Assured Water Supply issued by the Arizona Department of Water Resources, whichever applies.
 - a. If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources, if applied for by the developer.
 - b. If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detail to prove that adequate water exists to provide water to the area requested.
6. Provide a copy of your estimated property taxes. This may be obtained by contacting the Arizona Department of Revenue, Division of Property Valuation and Equalization. You must provide them with a five (5) year projection of the original cost of the plant, depreciation expense, the location of the property and the school district.

Z. Indicate the estimated number of customers, by class, to be served in each of the first five years of operation. Include documentation to support the estimates.

Residential:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____ Fifth Year _____

Commercial:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____ Fifth Year _____

Industrial:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____ Fifth Year _____

Irrigation:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____ Fifth Year _____

AA. Indicate the projected annual water consumption or sewerage treatment, in gallons, for each of the customer classes for each of the first five years of operation:

Residential:

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

Industrial:

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

Commercial:

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

Irrigation:

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

BB. Indicate the total estimated annual operating revenue for each of the first five years of operation:

Residential:

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

Industrial:

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

Commercial:

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

Irrigation:

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

CC. Indicate the total estimated annual operating expenses for each of the first five years of operation:

Residential:

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

Commercial:

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

Industrial:

First Year _____
 Second Year _____
 Third Year _____
 Fourth Year _____
 Fifth Year _____

Irrigation:

First Year _____
 Second Year _____
 Third Year _____
 Fourth Year _____
 Fifth Year _____

DD. Attach an itemized list of the major components of the water or sewer system (see Attachment C-3).

EE. Indicate the total estimated cost to construct utility facilities: _____

FF. Provide 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.

GG. Provide 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.

HH. Provide 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;

II. Provide a backflow prevention tariff that complies with Commission standards, if not already on file.

JJ. Provide a curtailment tariff that complies with Commission standards, if not already on file.

KK. Provide 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;

Karen A Samuel
(Signature of Authorized Representative)

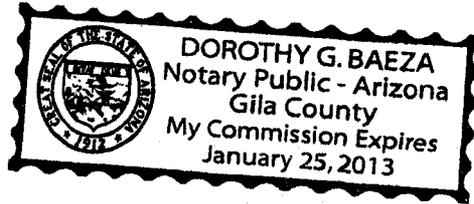
KAREN A SAMUEL, EA
(Type or Print Name Here)

ACCOUNTANT
(Title)

SUBSCRIBED AND SWORN to before me this 27th day of August, 2012

Dorothy G Baeza
NOTARY PUBLIC

My Commission Expires 1-25-13



ORIGINAL

MEMORANDUM

TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

DATE: April 15, 2013

RE: DARRELL WALLACE DBA BIDEKAIN WATER COMPANY - APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICE (DOCKET NO. W-02026A-12-0378)

Attached is the Staff Report for the above-referenced application. Staff is recommending approval of the application with conditions.

SMO:VW:tdp\BES

Originator: Vicki Wallace

Arizona Corporation Commission
DOCKETED

APR 15 2013

DOCKETED BY 

AZ CORP COMMISSION
DOCKET CONTROL

2013 APR 15 P 3:43

RECEIVED

ALL-STATE LEGAL®
EXHIBIT
5-1
ADMITTED

Service List for: Darrell Wallace dba Bidegain Water Company
Docket No. W-02026A-12-0378

Karen Samuel
c/o Samuel Accounting Service
247 South Hill St
Globe, Arizona 85501

**STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION**

DARRELL WALLACE DBA BIDEKAIN WATER COMPANY

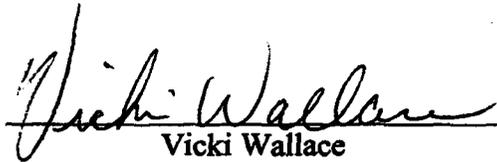
DOCKET NO. W-02026A-12-0378

**APPLICATION FOR A CERTIFICATE OF CONVENIENCE &
NECESSITY TO PROVIDE WATER SERVICE**

APRIL 15, 2013

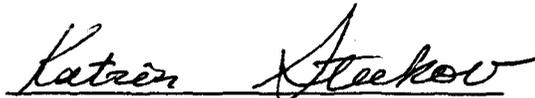
STAFF ACKNOWLEDGEMENT

The Staff Report for Darrell Wallace dba Bidegain Water Company Docket No. W-02026A-12-0378 was the responsibility of the Staff members listed below. Vicki Wallace was responsible for the review and analyses of the overall application; Katrin Stukov was responsible for the engineering and technical analysis; and Brendan Aladi was responsible for the financial analysis.



Vicki Wallace

Vicki Wallace
Executive Consultant



Katrin Stukov

Katrin Stukov
Utilities Engineer



Brendan Aladi

Brendan Aladi
Public Utilities Analyst III

EXECUTIVE SUMMARY
DARRELL WALLACE DBA BIDEGAIN WATER COMPANY
DOCKET NO. W-02026A-12-0378

On August 29, 2012, Darrell Wallace dba Bidegain Water Company ("Company" or "Bidegain") filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for a Certificate of Convenience and Necessity ("CC&N") to provide water service in Pinal County, Arizona, due to the revocation of its original CC&N granted via Decision No. 38745 issued December 7, 1966.

The original CC&N granted in 1966 to the initial owners of Bidegain Water Company, Mike F. and Carlotta C. Bidegain, was revoked in Decision No. 65649 on February 18, 2003, for failure of the Company to file its 2001 annual report. Both of the certificated owners, Mr. and Mrs. Bidegain, are now deceased; and the water system was sold to Darrell Wallace in 2003. There were no requests from the past or current owners to reinstate the CC&N and/or transfer the Company. Thus, Bidegain does not currently possess a CC&N.

The Company filed an application for a rate increase (Docket No. W-02026A-11-0470) on December 27, 2011. A Staff Report was filed on May 9, 2012, indicating that the Company did not currently possess a CC&N due to the above-referenced revocation and recommending that Staff's proposed new rates be authorized conditioned upon the current owner obtaining a CC&N. A Procedural Order was subsequently issued on May 25, 2012, suspending the time frame in the rate proceeding and ordering the Company to file a CC&N application.

Staff concludes that:

1. The Bidegain water system has adequate well production and storage capacity to serve its present customer base and reasonable growth.
2. The Company is in compliance with ADEQ, ADWR, and ACC regulations.
3. The current owner is a fit and proper entity to acquire and operate a public water company.

Staff recommends that the Commission grant the application of Darrell Wallace dba Bidegain Water Company to provide water service and obtain a Certificate of Convenience and Necessity for the proposed service area.

Staff recommends that upon approval of the CC&N, the rate case docket (Docket No. W-02026A-11-0470) continue to proceed.

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EXHIBITS

Legal Description and Map.....	Exhibit 1
Staff’s Engineering Report.....	Exhibit 2
Staff’s Financial Report	Exhibit 3

INTRODUCTION

On August 29, 2012, Darrell Wallace dba Bidegain Water Company ("Company" or "Bidegain") filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for a Certificate of Convenience and Necessity ("CC&N") to provide water service in Pinal County, Arizona, due to the revocation of its original CC&N granted via Decision No. 38745 issued December 7, 1966.

On September 27, 2012, the ACC Utilities Division ("Staff") filed an Insufficiency Letter indicating that the Company's application did not meet the sufficiency requirements of Arizona Administrative Code ("A.A.C.") R14-2-402. The Company subsequently supplied the required information and on March 13, 2013, Staff filed a Sufficiency Letter indicating that the application had met the sufficiency requirements of the A.A.C.

On March 31, 2013, a Procedural Order was issued setting the matter for hearing on May 16, 2013.

BACKGROUND

The original CC&N granted in 1966 to the initial owners of Bidegain Water Company, Mike F. and Carlotta C. Bidegain, was revoked in Decision No. 65649 on February 18, 2003, for failure of the Company to file its 2001 annual report. Both of the certificated owners, Mr. and Mrs. Bidegain, are now deceased, and the water system was sold to Darrell Wallace in 2003. There were no requests from the past or current owners to reinstate the CC&N and/or transfer the Company. Thus, Bidegain does not currently possess a CC&N.

Bidegain Water Company is operating as a class E sole-proprietorship and has been owned and operated by Darrell Wallace since 2003. The Company provides service to approximately 20 metered customers near Kearny in Pinal County, Arizona. Exhibit 1 is the legal description and map of the Company's current service area.

The Company filed an application for a rate increase (Docket No. 02026A-11-0470) on December 27, 2011. A Staff Report was filed on May 9, 2012, indicating that the Company did not currently possess a CC&N due to the above-referenced revocation and recommending that Staff's proposed new rates be authorized conditioned upon the current owner obtaining a CC&N. A Procedural Order was subsequently issued on May 25, 2012, suspending the time frame in the rate proceeding and ordering the Company to file a CC&N application.

EXISTING WATER SYSTEM

The Bidegain water system is located approximately one mile north of Kearny, east of Arizona Highway 177 on the old Ray Road. The Company's Plant Description is explained in detail in Staff's Engineering Report (Exhibit 2).

Based on the water use data provided, Staff concludes that the Company's well production capacity of 35 Gallons Per Minute ("GPM") and storage capacity of 60,000 gallons are adequate to serve the present customer base and reasonable growth.

FINANCIAL ANALYSIS

The condition of the Company's finances is described in Staff's Financial Report attached as Exhibit 3. Staff concludes that, due to the successful operation of Company since 2003, the current owner is financially capable of operating the Company.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY ("ADEQ") COMPLIANCE

Per Staff's Engineering Report (Exhibit 3), ADEQ reported that the Bidegain water system has no major deficiencies and is currently delivering water that meets water quality standards required.

ARIZONA DEPARTMENT OF WATER RESOURCES ("ADWR") COMPLIANCE

The Company is not located in an ADWR designated Active Management Area ("AMA") and is not subject to any AMA reporting and conservation requirements. ADWR reported that the Bidegain water system is currently in compliance with ADWR requirements.

ACC COMPLIANCE

The Utilities Division Compliance Section indicated that the Company has no delinquent ACC compliance items.

The Company has approved Curtailment and Backflow Prevention Tariffs.

PUBLIC INTEREST

Based on Staff's overall analysis, the current owner of Bidegan Water Company is a fit and proper entity and is technically, operationally and financially capable of operating the Company. It is therefore, in the public interest to grant this CC&N.

CONCLUSIONS

1. The Bidegain water system has adequate well production and storage capacity to serve its present customer base and reasonable growth.
2. The Company is in compliance with ADEQ, ADWR, and ACC regulations.

3. The current owner is a fit and proper entity to acquire and operate a public water company.

RECOMMENDATIONS

Staff recommends that the Commission grant the application of Darrell Wallace dba Bidegain Water Company to provide water service and obtain a Certificate of Convenience and Necessity for the proposed service area.

Staff recommends that upon approval of the CC&N, the rate case docket (Docket No. W-02026A-11-0470) continue to proceed.

MEMORANDUM

TO: Vicki Wallace
Executive Consultant
Utilities Division

FROM: Lori H. Miller
GIS Technician
Utilities Division

THRU: Del Smith 
Engineering Supervisor
Utilities Division

DATE: March 19, 2013

RE: **BARRELL WALLACE DBA BIDEGAIN WATER COMPANY (DOCKET NO. W-02026A-12-0378)**

Bidegain Water Company has filed an application for a CC#N to provide water service. Attached is the legal description which was docketed on March 19, 2013.

Also attached is a copy of the map for your files.

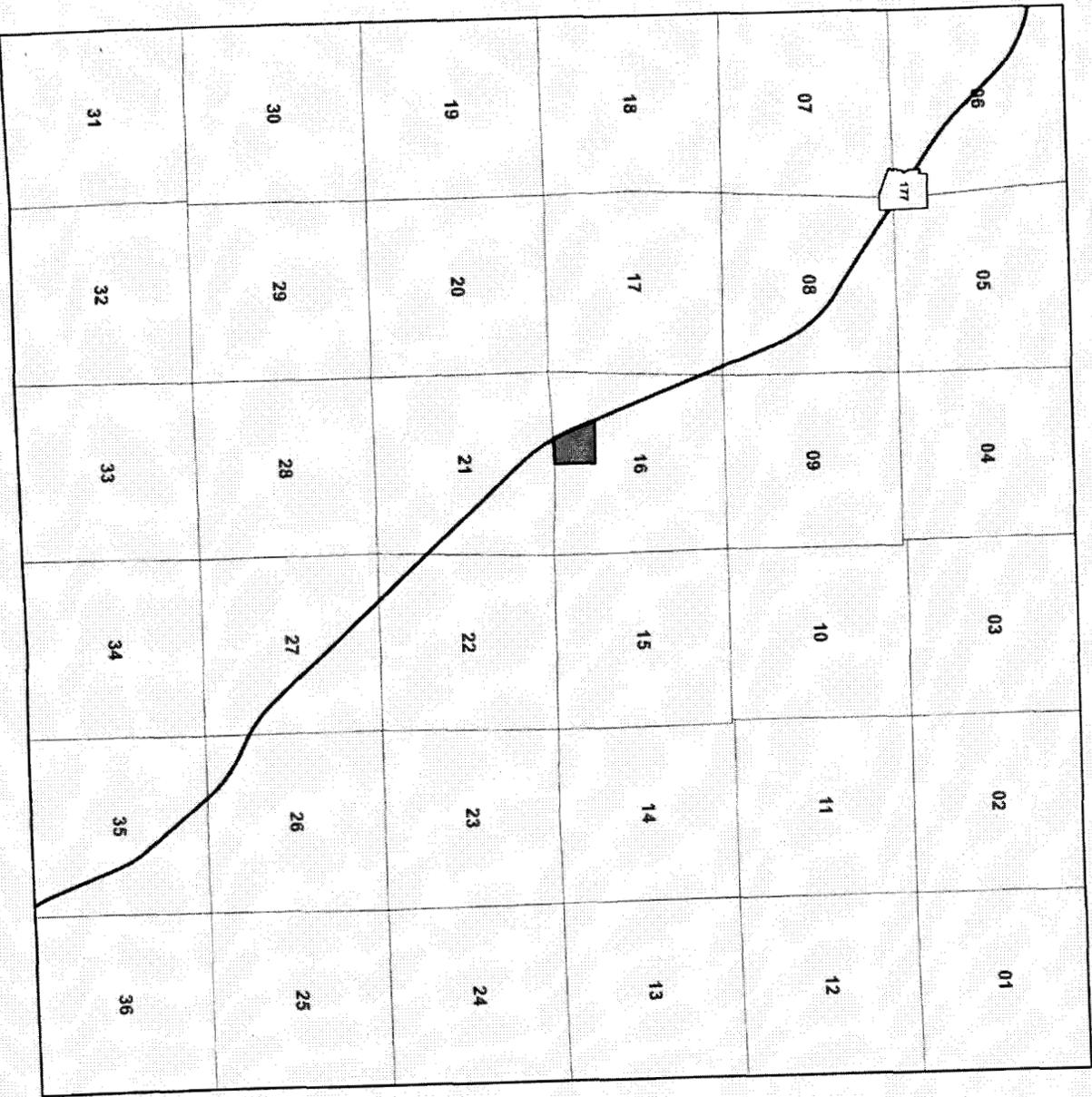
/lhm

Attachments

cc: Ms. Karen A. Samuel
Katrin Stukov
Ms. Deb Person (Hand Carried)
File

PINAL COUNTY

RANGE 14 East



TOWNSHIP 4 South

W-02026A (1)

Bidegain Water Company

Bidegain Water Company
Docket No. W-02026A-12-0378
Application for CC&N

Map No. 14



Prepared by:
Arizona Corporation Commission
Utilities Division
Engineering Section/GIS Mapping
602-542-4251
TR4S14E 22 DEC 1987

MEMORANDUM

TO: Vicki Wallace
Executive Consultant
Utilities Division

FROM: Katrin Stukov *KS*
Utilities Engineer
Utilities Division

DATE: February 14, 2013

RE: Bidegain Water Company (CC&N Application)
Docket No. 12-0378

Introduction

On August 29, 2012 Bidegain Water Company ("Bidegain" or "Company") filed an application for a Certificate of Convenience and Necessity ("CC&N") to comply with the Procedure Order dated May 25, 2012 (Docket No. 11-0470). The Company is providing service to approximately 20 customers near Kearny, Pinal County. The requested area covers approximately 28 acres (less than one square mile).

Water System*Operation*

The Bidegain water system is located approximately one mile north of Kearny, east of Arizona Highway 177 on the old Ray Road. Based on the Company's Plant Description¹, the water system includes one active well, one back-up well, two storage tanks (10,000 gallons and 50,000 gallons), a 1,000 gallon pressure tank, two booster pumps, one fire hydrant, approximately 2,515 feet of water main and 20 customer meters.

Capacity

Based on the water use data provided by Bidegain², Staff concludes that the Company's well production capacity of 35 GPM and storage capacity of 60,000 gallons are adequate to serve the present customer base and reasonable growth.

¹ Per the Company's response received on February 8, 2013

² Per Companies response received on February 8, 2013

Arizona Department of Environmental Quality (“ADEQ”) Compliance

According to an ADEQ compliance status report dated October 19, 2012, ADEQ reported that the Bidegain water system has no major deficiencies, is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and is in compliance with ADEQ requirements.

Arizona Department of Water Resources (“ADWR”) Compliance

Bidegain’s system is not located in an ADWR designated Active Management Area. According to an ADWR compliance status report dated September 19, 2012, ADWR reported that the Bidegain water system is currently in compliance with ADWR requirements.

Arizona Corporation Commission (“ACC”) Compliance

On September 21, 2012, the Utilities Division Compliance Section indicated that the Company has no delinquent ACC compliance items.

Curtailment Tariff

The Company has an approved Curtailment Tariff.

Backflow Prevention Tariff

The Company has an approved Backflow Prevention Tariff.

Conclusions

1. The Bidegain water system has adequate well production and storage capacity to serve its present customer base and reasonable growth.
2. The Company is in compliance with ADEQ, ADWR and ACC regulations.

MEMORANDUM

TO: Vicki Wallace
Executive Consultant
Utilities Division

FROM: Brendan C. Aladi *BA*
Public Utilities Analyst III
Financial and Regulatory Analysis Section
Utilities Division

DATE: April 4, 2013

RE: IN THE MATTER OF THE APPLICATION OF DARRELL WALLACE DBA BIDEGAIN WATER COMPANY FOR AN OPINION AND ORDER (i) AUTHORIZING SALE AND TRANSFER OF WATER SYSTEM ASSETS, AND (ii) CERTIFICATES OF CONVENIENCE AND NECESSITY. (DOCKET NO. W-02026A-12-0378)

On August 29, 2012, Darrell Wallace dba Bidegain Water Company ("Company") filed an application with the Arizona Corporation Commission ("Commission") seeking authorization to transfer its assets and certificate of convenience and necessity ("CC&N") to the Company.

Background

On December 7, 1966, Mr. and Mrs. Bidegain ("Bidegains") were granted a certificate of convenience and necessity ("CC&N") pursuant to Commission Decision No. 38745. On February 18, 2003, Bidegains' CC&N was revoked in Decision No. 65649 for failure to file their 2001 annual report. Both of the certificated owners, Mr. and Mrs. Bidegain, are now deceased and the water system was sold to Darrel Wallace in 2003. Mr. and Mrs. Bidegain did not request authorization from the Commission to transfer the assets and CC&N to the new owner (Darrel Wallace).

On December 27, 2011, the Company filed an application for a rate increase with the Commission. A Staff Report was issued in the rate case, (Docket No. W-02026A-11-0470) on May 9, 2012. A procedural order, issued May 25, 2012, requires the filing of the instant CC&N application before further action can take place on the rate application.

Financial Analysis

Staff determined an original cost less depreciation net plant value for the Company of \$7,266 in the instant rate case. Financial information as filed by the Company indicates original cost less depreciation net plant value of \$3,000. Mr. Wallace has operated the Company for the past ten years.

Recommendation

Staff recommends approval of the transfer of the Bidegains' assets to Mr. Wallace.