BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF
PUERCO DEL SOL WATER COMPANY, AN
ARIZONA CORPORATION, FOR THE ISSUANCE OF A CERTIFICATE OF CONVENIENCE AND NEECESSITY TO SERVE WATER IN THE AREA DESCRIBED AS ALL OR PART OF
SECTION 13, 14, 15, 16, 24, 25, 26 AND
36 IN TOWNSHIP 22 SOUTH, RANGE 20
EAST, AND ALL OR PART OF SECTIONS 9, 10, 11, 12 AND 13 IN TOWNSHIP 22
SOUTH, RANGE 21 EAST, GLOBE RANCH,
COCHISE COUNTY, ARIZONA.

On September 16, 1971, and after appropriate notice
had been given to all interested persons, the above-captioned matter
was before the Commission. William S. Evans, Jr., in Tucson,
Arizona, presented the transcript of the hearing. The transcript
was then submitted to the Commission.

James P. McNulty, Jr., of the firm of Conti, Hassen
and Porowetz appeared as counsel for Puerco Del Sol
Development Corporation, which is a subsidiary of Thompson
Inc., which in turn is a subsidiary of Tenneco Corporation.

Richard E. Hodgson, representing Southwest Water Company,
appeared as a witness and offered testimony in support of the
application.

Mr. Paul Robinson, representing Southwest Water Company,
appeared as a witness and offered testimony that Southwest Water
Company consented to the granting of the application
because it did not conflict with the watered area of the
applicant's area, which was not in conflict with the area for which
the applicant was petitioning.

There were no witnesses who offered evidence in
opposition to the application.

After having read the transcript and having considered
thoroughly the evidence presented, the commission finds and concludes
as follows:

FINDINGS OF FACT

1. Application was for a water company, an Arizona
corporation, whose entire stock is owned by the KCL Corporation, a
California corporation.
2. NCL Corporation is the transferee. The transferee, Company, which name has since been changed to NCL, is the party to the contract. However, NCL on many years on behalf of the Company and record of the holdings that Vonnas West, and it has been decided by the
3. Applicant has been granted a request for
Cochise County Board of Supervisors.
4. The Arizona State Department of Mines has issued its certificate of approval to construct these water systems.
5. A rate schedule of the proposed water rates which charged has been filed with the Arizona Corporation Commission.
6. There are no state lands within the area to be certificated.
7. One small five-acre parcel of federal land is within the area to be certificated; however, this parcel is presently being offered for sale by auction by the federal government at some time.
8. A housing development has been plotted for the entire 6,000 plus acres that constitutes the area petitioned to be certificated by the Stockdale Development Company, a California corporation which is the sole owner of the property (less one five-acre parcel) in the area to be certificated.
9. The financial statement of NCL Corporation filed indicates a balance for the NCL Corporation subsidiary companies of $243,000,000.00 as of March 31, 1972.
10. The proposed development will be constructed in two units simultaneously: one on the north edge of the property and developing southward, the second on the south edge of the property and developing northward. One well has been drilled in the north area for the initial development and one well has been drilled in the south area for the initial development. They are five and one-half miles apart.
11. As the two developments progress toward the center, additional wells will be drilled to provide for the future requirements.
12. All wells and mains will be interconnected in a looped system that will provide back-up and replacement capability.
In the event that one or more of the wells should become unexploitable due to contamination or other reasons.

CONCLUSIONS OF LAW

1. The granting of a certificate of convenience and necessity to Pueblo Del Sol Water Company is in the best interest of all parties concerned, including the prospective customers and the residents of the adjacent and contiguous areas.

2. The Pueblo Del Sol Water Company is financially able to perform its obligations to construct the contemplated facilities.

1. The Pueblo Del Sol Water Company is a fit and proper entity to assume the obligations of a certificate of convenience and necessity.

ACCORDINGLY, IT IS ORDERED: The Pueblo Del Sol Water Company be granted a certificate of convenience and necessity to serve water in that area of Cochise County described as All or Part of Sections 13, 14, 23, 24, 25, 26, and 36 in Township 22 South, Range 20 East, and All or Part of Sections 7, 8, 9, 10, 11 and 12 in Township 22 South, Range 21 East, GILBERT.

IT IS FURTHER ORDERED that the rate schedule to be charged to each customer, per month, shall be:

**MINIMUM:** $ 5.50 for 2 1/2" x 3/4" meter for 1,000 gallons or less

<table>
<thead>
<tr>
<th>Size</th>
<th>Rate</th>
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<tbody>
<tr>
<td>6.45</td>
<td>-</td>
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<tr>
<td>9.60</td>
<td>1&quot;</td>
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<tr>
<td>10.00</td>
<td>2&quot;</td>
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<tr>
<td>12.50</td>
<td>3&quot;</td>
</tr>
<tr>
<td>17.00</td>
<td>4&quot; and over</td>
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</tbody>
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**RATES:** $ .70 per 1,000 gallons for all water consumed in excess of the 2,000 gallons allowed in the minimum.

IT IS FURTHER ORDERED that all service shall be measured at the time of the initial connection.

IT IS FURTHER ORDERED that water rates shall not be adjusted to reflect increases or decreases in taxes or other governmental impositions, including ad valorem property taxes, but that future adjustments to the above approved water rates will be only after proper application, review, public hearing, decision and order of this Commission.

**In the name of the Pueblo Corporation Commission**

[Signature]
[Signature]
I, George B. Russell, the Secretary of the Corporation Commission, have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission to be affixed at the Chamber in the City of Phoenix, this 15th day of August, 1912.
BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF
PUEBLO DEL SOL WATER COMPANY, AN
ARIZONA CORPORATION, FOR THE ISSU¬
ANCE OF A CERTIFICATE OF CONVENIENCE
AND NECESSITY TO SERVE WATER IN THE
AREA DESCRIBED AS ALL OR PART OF
SECTIONS 13, 14, 23, 24, 25, 26, AND
36 IN TOWNSHIP 22 SOUTH, RANGE 20
EAST, AND ALL OR PART OF SECTIONS 7,
8, 9, 17, 18 AND 19 IN TOWNSHIP 22
SOUTH, RANGE 21 EAST, G&SR&B&M, CO¬
CHISE COUNTY, ARIZONA.

DOCKET NO. U-2208
DECISION NO. 47394
AMENDED
OPINION AND ORDER

On September 14, 1972, and after appropriate notice had been given to all interested persons, the above-captioned matter was heard before Hearing Officer Lawrence J. Evans, Jr., in Tucson, Arizona; a transcript of that hearing has been prepared and submitted to the Commission.

James F. McNulty, Jr., of the firm of Gentry, McNulty & Borowiec, appeared as counsel; Mr.Rubin Ramirez, Planning Director for Pueblo Del Sol Development, a subsidiary of Stockdale Development Corporation, which in turn is a subsidiary of Tenneco West, Inc., which in turn is a subsidiary of Tenneco Corporation, appeared as a witness and offered testimony in support of the application.

Mr. Paul Robinson, representing Southwest Water Company, appeared as a witness and offered testimony that Southwest Water Company offered no objections to the granting of the application insofar as it did not conflict with the certificated area of Southwest Water Company, which was contiguous with the area for which the applicant was petitioning.

There were no objections heard no evidence offered in opposition to the application.

After having read the transcript and having considered thoroughly the evidence presented, the Commission finds and concludes as follows:

FINDINGS OF FACT

1. Applicant, Pueblo Del Sol Water Company, is an Arizona corporation whose entire stock is owned by the KCL Corporation, a Delaware corporation.
2. KCL Corporation is the tradename of Kern County Land Company, which name has since been changed in 1971 to Tenneco West, Inc. However, KCL on many state legal instruments is the owner of record of the holdings that Tenneco West, Inc. now has title to.

3. Applicant has been granted a franchise from the Cochise County Board of Supervisors.

4. The Arizona State Department of Health has issued its certificate of approval to construct these water facilities.

5. A rate schedule of the proposed water rates to be charged has been filed with the Arizona Corporation Commission.

6. There are no state lands within the area to be certificated.

7. One small five-acre parcel of federal land is within the area to be certificated; however, this parcel is presently being offered for sale by auction by the federal government at this time.

8. A housing development has been platted for the entire 6,000 plus acres that constitutes the area petitioned to be certificated, by the Stockdale Development Company, a California corporation which is the sole owner of the property (less one five-acre parcel) in the area to be certificated.

9. The financial statement of KCL Corporation filed indicates a balance for the KCL Corporation subsidiary companies of $243,000,000.00 as of March 31, 1972.

10. The proposed development will be constructed in two units simultaneously; one on the north edge of the property and developing southward, the second on the south edge of the property and developing northward. One well has been drilled in the north area for the initial development and one well has been drilled in the south area for the initial development. They are five and one-half miles apart.

11. As the two developments progress towards the center, additional wells will be drilled to provide for the added requirements.

12. All wells and mains will be interconnected in a looped system that will provide back-up and replacement capability
in the event that one or more of the wells should become incapacitated due to contamination or other reasons.

CONCLUSIONS OF LAW

1. The granting of a certificate of convenience and necessity to Pueblo Del Sol Water Company is in the best interests of all parties concerned, including the prospective consumers and the residents of the adjacent and contiguous areas.

2. The Pueblo Del Sol Water Company is solvent and financially able to perform its obligations if granted the certificate.

3. The Pueblo Del Sol Water Company is a fit and proper entity to assume the obligations of a certificate of convenience and necessity.

ACCORDINGLY, IT IS ORDERED: The Pueblo Del Sol Water Company be granted a certificate of convenience and necessity to serve water in that area of Cochise County described as:

IN TOWNSHIP TWENTY TWO (22) SOUTH, RANGE TWENTY (20) EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA:

The Southeast quarter of Section TWELVE (12), EXCEPT the East 100 feet.

Lot 1,
the Northwest quarter,
the East half of the Southwest quarter,
the Northwest quarter of the Southwest quarter and the East half of Section THIRTEEN (13), EXCEPT the East 100 feet.

Lots 1, 2 and 3,
the East half of the Northeast quarter, and the Northwest quarter of the Northeast quarter of Section FOURTEEN (14).

Lots 2 and 4, and the Southeast quarter of the Southeast quarter of Section TWENTY THREE (23).

Lot 1,
the Southwest quarter,
the East half of the Northwest quarter,
the Southwest quarter of the Northwest quarter, and the East half of Section TWENTY FOUR (24), EXCEPT the East 100 feet.

All of Section TWENTY FIVE (25) EXCEPT the East 100 feet, OK

The North half of the North half of the Northeast quarter of Section TWENTY SIX (26), and that portion of Lot 1, Section 26, described as follows:
BEGINNING at the North quarter corner of said Section 26, thence South 660 feet to a corner, thence West 66 feet to a corner, thence North 660 feet to a corner on the North line of said Section 26, thence East 66 feet to the place of beginning.

All of Section THIRTY SIX (36), except the East 100 feet, OK

IN TOWNSHIP TWENTY TWO (22) SOUTH, RANGE TWENTY ONE (21) EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA:
The South half of Section FIVE (5).

Lots 1. 2. 3 and 4, the East half of the West half, and
the East half of Section SEVEN (7), EXCEPT the West 100 feet.

The North half of the Southwest quarter, and
the North half of the Southeast quarter of Section EIGHT (8).

The North half of the Northwest quarter of Section NINE (9).

The West half of the Section SEVENTEEN (17).

Lots 1, 2, 3, and 4, the East half of the West half, and
the East half of Section EIGHTEEN (18), EXCEPT the West 100 feet.

Lots 1 and 2, and
the East half of the Northwest quarter of Section NINETEEN (19),
EXCEPT the West 100 feet

EXCEPTING, HOWEVER, from the above, the following:

SE\(\) of Section 5, Twp. 22 S., R. 21 E.,
SE\(\) of Section 12, Twp. 22 S., R. 28 E.,
Cochise County, Arizona

IT IS FURTHER ORDERED that the rate schedule to be charged
to each customer, per month, shall be:

| MINIMUM: | $ 5.60 for 5/8" x 3/4" meter for 2,000 gallons or less |
|          | 6.40 " 1" |
|          | 8.40 " 1\(\frac{1}{2}\)" |
|          | 10.00 " 2" |
|          | 12.50 " 3" |
|          | 17.00 " 4" and over |

| RATE: | $.70 per 1,000 gallons for all water consumed in excess |
|       | of the 2,000 gallons allowed in the minimum. |

IT IS FURTHER ORDERED that all services shall be metered at
the time of the initial connection.

IT IS FURTHER ORDERED that water rates shall not be ad-
justed to reflect increases or decreases in taxes or other govern-
mental impositions, including ad valorem property taxes, but that
future adjustments to the above approved water rates will be only
after proper application, review, public hearing, decision and
order of this Commission.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

[Signature]

CHAIRMAN

[Signature]

COMMISSIONER
IN WITNESS WHEREOF, I, GEORGE M. DEMPSEY, the Secretary of the Corporation Commission, have hereunto set my hand and caused the official seal of the Arizona Corporation Commission to be affixed at the Capitol, in the City of Phoenix, this 23rd day of December, 1972.

[Signature]

SECRETARY
BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

APR 26 1990

DOCKET NO. U-2465-89-281
DOCKET NO. U-2208-89-281

DECISION NO. 56892

OPINION AND ORDER

DATE OF HEARING: February 22, 1990
PLACE OF HEARING: Tucson, Arizona
PRESIDING OFFICER: Evo J. De Concini

APPEARANCES:
MARTINEZ & CURTIS, P.C., by Mr. William P. Sullivan on behalf of Applicant Bella Vista Water Company, Inc., and
Mr. Christopher C. Kempkey, Assistant Chief Counsel, Legal Division, on behalf of the Arizona Corporation Commission.

BY THE COMMISSION:

FINDINGS OF FACT

1. Bella Vista Water Company, Inc. ("Bella Vista" or "Applicant") is an Arizona corporation, a subsidiary of Bella Vista Ranches, Inc. of Arizona and a public service corporation duly certificated by the Arizona Corporation Commission ("Commission") and authorized to provide service in portions of Cochise County, Arizona (See Decision No. 55016, dated May 1, 1986).

2. Currently Bella Vista serves approximately 6,000 customers.

3. By Decision No. 51097 (June 26, 1980) Bella Vista Ranches, Inc. was authorized to acquire and did acquire all the assets and certificate of convenience and necessity ("CC&N") of Southwest Water Company located in
Cochise County, Arizona.

4. Decision No. 55016, inter alia, authorized the transfer of said assets and CC&N to the Applicant.

5. Pueblo del Sol Water Company ("Pueblo del Sol") is also an Arizona corporation duly certificated by this Commission and authorized to provide water service in certain areas of Cochise County, Arizona, adjacent to the certificated area of Bella Vista.

6. Pueblo del Sol presently provides service to approximately 1,100 customers.

7. Pursuant to Decision No. 42867 (October 10, 1972) Pueblo del Sol was authorized to serve, inter alia, "all or part" of Section 7, Township 22 South, Range 21 East, G&SR&B, Cochise County, Arizona.

8. As a result of Pueblo del Sol's inability or unwillingness to provide water service to certain portions of said Section 7, Southwest Water Company, with the alleged consent of Pueblo del Sol, in September, 1974, commenced providing water service therein.


10. Bella Vista presently serves 96 residential and 45 commercial customers in Section 7, adjacent to Bella Vista's certificated area.

11. Bella Vista provides water service to said customers pursuant to its authorized rates which are substantially lower than the rates of Pueblo del Sol (Tr. p. 10).

12. Pueblo del Sol does not have any water procurement and distribution facilities in the subject area.

13. On November 7, 1989, Bella Vista and Pueblo de Sol filed this application in order to delete from the CC&N of Pueblo del Sol that portion
of Section 7 currently served by Bella Vista, and add said area to the CC&N
of Bella Vista.

14. Although Pueblo del Sol did not appear at the hearing, the
application and the testimony indicates Pueblo del Sol has no objection to
this deletion and, in support thereof, has filed an Affidavit dated October
18, 1989, (Exhibit 3).

15. The subject portion of Section 7 is presently located within the
Sierra Vista, Arizona, city limits.

16. Although no franchise is required by the City of Sierra Vista (Tr.
p. 16), Bella Vista has obtained all other requisite permits issued by state
or local agencies.

17. The subject application was authorized by Resolution of the Board
of Directors of Bella Vista, dated October 29, 1989 (Exhibit 4).

18. Because no notice of this application was given to the affected
customers and property owners in the subject area of Section 7, at the
hearing, the Applicant was directed to provide such notice with the
understanding that the hearing would be reopened if deemed necessary.

19. Notice was mailed by Applicant on February 28, 1990 to said
customers and property owners, and after a 15-day response period, the
Commission was informed by Staff that no one objected to the application.

20. Uncontested evidence regarding the present need for water service
in this area was introduced at the hearing.

21. Bella Vista is aware and understands that it must maintain the
currently authorized rates and tariffs until changed by future, written order
of this Commission.

22. Bella Vista has the financial and technical capabilities to serve
all present and future customers in the subject area.

23. Staff recommends approval of the application.
CONCLUSIONS OF LAW

1. Bella Vista and Pueblo del Sol are public service corporations within the meaning of Article XV of the Arizona Constitution and A.R.S. §§40-281, et seq.

2. The Commission has jurisdiction over Bella Vista and Pueblo del Sol and of the subject matter of the joint application.

3. The modification of the CC&N of each of these two public service corporations is in the public interest and should be approved.

ORDER

It is therefore ordered that the following described territory be deleted from the certificate of convenience and necessity of Pueblo del Sol Water Company and be added to the certificate of convenience and necessity of Bella Vista Water Company, Inc.:

That portion of Section 97, Township 22 South, Range 21 East of the Gila and Salt River Base and Meridian, Cochise County, Arizona, as is shown on a report of survey in Survey Book 01, Page 11 of the records of Cochise County, Arizona and being more particularly described as follows:

Beginning at the northwest corner of said Section 97, thence south 89 degrees 02' 02" east coincident with the north line of said Section 97, a distance of 2535.19 feet to the north 1/4 corner of said Section 97, thence south 89 degrees 43' 24" East coincident with the north line of said Section 97 a distance of 2641.37 feet to the northeast corner of said Section 97, thence north 89 degrees 43' 32" west coincident with the centerline of Snyder Blvd. as recorded in Survey Book 01, Page 21a, a distance of 203.32 feet to a point of curvature, thence through said curve to the left, having a delta angle of 16 degrees 07' 08", a radius of 1500.00 feet, and an arc length of 421.99 feet, said arc being coincident with the centerline of Snyder Blvd., to a point of tangency, thence south 74 degrees 09' 20" west coincident with the centerline of Snyder Blvd., a distance of 355.92 feet, thence south 74 degrees 08' 53" west coincident with the centerline of Snyder Blvd., a distance of 1612.18 feet to a point of curvature, thence through a curve to the right, having a delta angle of 32 degrees 29' 43", a radius of 2000.00 feet, and an arc length of 1134.30 feet, said arc being coincident with the centerline of

Decision No. 579/92
SNYDER BLVD., TO A POINT OF TANGENCY, THENCE NORTH 73
DEGREES 20' 21" WEST COINCIDENT WITH THE CENTERLINE OF
SNYDER BLVD. A DISTANCE OF 186.66 FEET TO THE
INTERSECTION OF THE CENTERLINE OF SNYDER BLVD. WITH
CENTERLINE OF AN ALLEY EXTENDED, THENCE SOUTH 16
DEGREES, 39' 39" WEST A DISTANCE OF 75.00 FEET TO THE
SOUTH RIGHT-OF-WAY OF SNYDER BLVD., THENCE CONTINUING
SOUTH 16 DEGREES 39' 39" WEST COINCIDENT WITH THE
CENTERLINE OF AN ALLEY, AS IS SHOWN ON A PLAT OF PDS
UNIT #5, RECORDED IN SURVEY BOOK 10, PAGE 8A, A DISTANCE
OF 538.80 FEET, THENCE SOUTH 30 DEGREES 17' 15" WEST
COINCIDENT WITH THE CENTERLINE OF AN ALLEY, AS IS SHOWN
ON A PLAT OF PDS #6, RECORDED IN SURVEY BOOK 10, PAGE
9A, A DISTANCE OF 375.83 FEET, THENCE SOUTH 00 DEGREES,
00' 16" WEST COINCIDENT WITH CENTERLINE OF AN ALLEY, A
DISTANCE OF 1222.66 FEET TO A POINT ON THE SOUTHERLY
RIGHT-OF-WAY LINE OF AVENIDA COCHISE, THENCE NORTH 89
DEGREES 44' 51" WEST COINCIDENT WITH THE SOUTHERLY
RIGHT-OF-WAY LINE OF AVENIDA COCHISE A DISTANCE OF
1002.27 FEET TO A POINT ON THE WEST LINE OF SAID SECTION
#7 AND THE APPROXIMATE CENTERLINE OF STATE HIGHWAY 92,
THENCE NORTH 00 DEGREES 02' 10" EAST COINCIDENT WITH THE
WEST LINE OF SAID SECTION #7 A DISTANCE OF 40.00 FEET TO
THE WEST 1/4 CORNER OF SAID SECTION #7, THENCE NORTH 00
DEGREES 03' 50" EAST COINCIDENT WITH WEST LINE OF SAID
SECTION #7 AND THE APPROXIMATE CENTERLINE OF STATE
HIGHWAY 92 A DISTANCE OF 2650.51 FEET TO THE NORTHWEST
CORNER OF SAID SECTION #7 AND THE POINT OF BEGINNING.

IT IS FURTHER ORDERED that Bella Vista Water Company, Inc. shall continue
to charge all its customers, wherever they may be located, the rates and
charges currently authorized in Decision Nos. 55206 (September 18, 1986) and
55661 (July 30, 1987) until such time as changed by subsequent written order of
this Commission.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN

COMMISSIONER

IN WITNESS WHEREOF, I, JAMES MATTHEWS, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 26 day of April, 1990.

JAMES MATTHEWS
Executive Secretary

DISSENT

EDeC:d1