

R14-2-402. Certificate of Convenience and Necessity for water utilities:

A. 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. 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, the President and Secretary if a corporation, manager(s) and/or members of the L.L.C. (if management is reserved to the members) if a L.L.C.
 - b. A copy of the applicant's Articles of Partnership or Articles of Incorporation 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.
 - 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 (e.g. source, storage, transmission lines, distribution lines, etc.) in order to verify the costs submitted as part of R14-2-402.A.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 off-site and on-site 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 financial condition of the applicant.
 - f. The rates proposed to be charged for the service that will be rendered.
 - 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.
 - 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.
 - 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 the type(s) of service(s) 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 R14-2-402.A.2.c.
 - ix. The location of all parcels for which a copy of a request for service has been provided per R14-2-402.A.2.i.
 - k. A copy of the applicant's notice of the application to all the landowners in the area under application who did not request service.
 - l. The written response to the notice from each landowner who did not request service.
 - m. 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.
 - n. Appropriate city, county and/or state agency approvals.
 - o. The estimated number of customers to be served for each of the first five years of operation, including documentation to support the estimates.
 - p. The name of the wastewater service provider in the area under application.
 - q. 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.
 - r. Plans or description of water conservation measures.
 - s. Backflow prevention tariff, if not already on file.
 - t. Curtailment tariff, if not already on file.
 - u. 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.
 - v. For applications for extension 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 the existing system(s). 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.
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, expeditiously as reasonably practicable, schedule hearings to consider such application.
- B. 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. Additions or extensions of service contiguous to existing Certificates of Convenience and Necessity
1. Each utility which proposes to extend utility service to a 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. Such notifications 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 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.
 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.

R14-2-411. Administrative and Hearing Requirements

- A. Customer service complaints
1. Each utility shall make a full and prompt investigation of all service complaints made by its customers, either directly or through the Commission.
 2. The utility shall respond to the complainant and/or the Commission representative within five working days as to the status of the utility investigation of the complaint.
 3. The utility shall notify the complainant and/or the Commission representative of the final disposition of each complaint. Upon request of the complainant or the Commission representative, the utility shall report the findings of its investigation in writing.

4. The utility shall inform the customer of his right of appeal to the Commission.
5. Each utility shall keep a record of all written service complaints received which shall contain, at a minimum, the following data:
 - a. Name and address of the complainant
 - b. Date and nature of the complaint
 - c. Disposition of the complaint
 - d. A copy of any correspondence between the utility, the customer, and/or the Commission.

This record shall be maintained for a minimum period of one year and shall be available for inspection by the Commission.

- B. Notice by utility of responsible officer or agent
 1. Each utility shall file with the Commission a written statement containing the name, address (business, residence and post office) and telephone numbers (business and residence) of the onsite manager of its operations.
 2. Each utility shall give notice, by filing a written statement with the Commission, of any change in the information required herein within five days from the date of any such change.
- C. Time-frames for processing applications for Certificates of Convenience and Necessity
 1. This rule prescribes time-frames for the processing of any application for a Certificate of Convenience and Necessity issued by the Arizona Corporation Commission pursuant to this Article. These time-frames shall apply to applications filed on or after the effective date of this rule.
 2. Within 30 calendar days after receipt of an application for a new Certificate of Convenience and Necessity, or to amend or change the status of any existing Certificate of Convenience and Necessity, staff shall notify the applicant, in writing, that the application is either administratively complete or deficient. If the application is deficient, the notice shall specify all deficiencies.
 3. Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.
 4. After receipt of a corrected application, staff shall notify the applicant within 30 calendar days if the corrected application is either administratively complete or deficient. The time-frame for administrative completeness review shall be suspended from the time the notice of deficiency is issued until staff determines that the application is complete.
 5. Within 150 days after an application is deemed administratively complete, the Commission shall approve or reject the application.
 6. For purposes of A.R.S. § 41-1072 et seq., the Commission has established the following time-frames:
 - a. Administrative completeness review time-frame: 30 calendar days,
 - b. Substantive review time-frame: 150 calendar days,
 - c. Overall time-time: 180 calendar days.
 7. If an applicant requests, and is granted, an extension or continuance, the appropriate time-frames shall be tolled from the date of the request during the duration of the extension or continuance.

8. During the substantive review time-frame, the Commission may, upon its own motion or that of any interested party to the proceeding, request a suspension of the time- frame rules.