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MEMORANDUM

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TO: Docket Control
FROM: Ernest G. Johnson
Director
Utilities Division

2006 SEP -1 A 10: 58

AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission
DOCKETED

SEP 01 2006

DATE: September 1, 2006

DOCKETED BY

RE: ARIZONA WATER COMPANY REQUEST FOR ADDITIONAL TIME TO COMPLY WITH A FILING REQUIREMENT. (DOCKET NO. W-01445A-04-0453)

Decision No. 67439, dated December 3, 2004, approved the application of Arizona Water Company ("Arizona Water") for an extension of its Certificate of Convenience and Necessity ("CC&N") for its Coolidge system. The Decision ordered Arizona Water to file a copy of the developer's Certificate of Assured Water Supply "where applicable or when required by statute", the main extension agreement associated with the extension area and a copy of the ADEQ Certificate of Approval to Construct, all within 365 days of the effective date the Decision.

Arizona Water has already received one extension of time to comply with the Decision. On August 25, 2005, a Procedural Order was filed granting Arizona Water's request for a 365-day extension based upon the developer's "unexpected delays in planning and financing its development."

On August 16, 2006, Arizona Water requested a second 365-day extension. This request is based upon Arizona Water's discussions with developer representatives who have indicated that progress has been made toward development and that the Certificate of Assured Water Supply will be issued to the developer in the "very near future". After receipt of that certificate, the developer will be able to enter into a Main Extension Agreement and obtain a Certificate of Approval to Construct.

Staff has reviewed the request and has no objections to the requested extension of time to comply with the Decision until December 31, 2007.

Staff realizes that water utilities have little or no control over the pace at which a development progresses. However, Staff is concerned about granting CC&N extensions when there is no current need for service to utilities or when a land owner or developer has no purpose in requesting an extension other than to increase the value of the property. This same concern arises when a utility asks for extensions of time to comply with Commission decisions which granted CC&N extensions to serve areas proposed to be developed. Therefore, Arizona Water should be on notice that if it finds it necessary to file for another time extension to comply with Decision No. 67439, Staff will request that it also file a statement from the developer indicating the reason for the developer's inability to meet the deadlines originally set by the Commission and accepted by Arizona Water.

EGJ:LAJ:mfm

Originator: Linda Jaress



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ORIGINAL
BEFORE THE ARIZONA CORPORATION COMMISSION
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COMMISSIONERS

Jeff Hatch-Miller - Chairman
William A. Mundell
Mike Gleason
Kristin K. Mayes
Barry Wong

2006 AUG 16 P 1:37
AZ CORP COMMISSION
DOCUMENT CONTROL Arizona Corporation Commission
DOCKETED
AUG 16 2006

DOCKETED BY

DOCKET NO. W-01445A-04-0453

IN THE MATTER OF THE APPLICATION
OF ARIZONA WATER COMPANY FOR
AN EXTENSION OF ITS CERTIFICATE
OF CONVENIENCE AND NECESSITY
AT COOLIDGE, PINAL COUNTY,
ARIZONA

REQUEST FOR ADDITIONAL TIME TO
COMPLY WITH FILING REQUIREMENT

On December 3, 2004, the Commission entered Decision No. 67439 in the above-captioned docket. Decision No. 67439 approved the Company's application for an extension of its Certificate of Convenience and Necessity for its Coolidge system. On August 25, 2005 the Commission entered a procedural order that approved the Company's request for an additional 365 days, until December 3, 2006 to file a copy of the developer's Certificate of Assured Water Supply, a Main Extension Agreement, and an Arizona Department of Environmental Quality Certificate of Approval to Construct.

Since August 25, 2005, the Company has had several discussions with developer representatives. The developer's progress on its development has progressed to a point where the Company believes that the developer's Certificate of Assured Water Supply will be issued to the developer in the very near future, and that the developer will be in a position to enter into a Main Extension Agreement and obtain a Certificate of Approval to Construct no later than December 3, 2007.

1 For these reasons, the Company requests that it be given an additional 365
2 days, until December 3, 2007 to file a copy of the Developer's Certificate of Assured
3 Water Supply, a Main Extension Agreement, and a Certificate of Approval to Construct.
4 This request should not prejudice any other party, as the Company was the only
5 applicant for a Certificate of Convenience and Necessity for the Cole Farms (now
6 Verona) development.

7 RESPECTFULLY SUBMITTED this 15th day of August, 2006.

8 ARIZONA WATER COMPANY

9
10 By: Robert W. Geake

11 Robert W. Geake
12 Vice President and General Counsel
13 ARIZONA WATER COMPANY
14 Post Office Box 29006
15 Phoenix, Arizona 85038-9006

16 Original and thirteen (13) copies of the foregoing filed the 15th day of August, 2006 with:

17 Docket Control Division
18 Arizona Corporation Commission
19 1200 West Washington Street
20 Phoenix, Arizona 85007

21 A copy of the foregoing was mailed this 15th day August, 2006 to:

22 Christopher Kempley, Chief Counsel
23 Legal Division
24 Arizona Corporation Commission
25 1200 West Washington Street
26 Phoenix, Arizona 85007

27 Ernest G. Johnson, Director
28 Utilities Division
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By: Robert W. Geake