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MEMORANDUM

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TO: Docket Control
 Arizona Corporation Commission

FROM: Ernest G. Johnson
 Director
 Utilities Division

ARIZONA CORPORATION COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission

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Date: April 4, 2007

RE: WILLOW VALLEY WATER COMPANY, INC. – MOTION FOR EXTENSION OF TIME (DOCKET NO. W-01732A-05-0532)

On March 21, 2007, Willow Valley Water Company, Inc. (“Willow Valley”) filed a letter with the Arizona Corporation Commission (“ACC” or “Commission”) requesting an extension of time to file the Developer’s Letter of Adequate Water Supply (“LAWS”).

Background

On March 23, 2006, the Commission issued Decision No. 68610 approving Willow Valley’s application for extension of its water Certificates of Convenience and Necessity (“CC&N”) to an area in Mohave County, Arizona, subject to certain conditions. The conditions include among other things that Willow Valley file copies of the Developer’s LAWS for the extension area no later than one year after a decision in the docket.

By this letter, Willow Valley is requesting an extension of the compliance date from one year to two years (March 23, 2008) from the date of Decision No. 68610 to file the LAWS.

By a Procedural Order dated March 27, 2007, Judge Stern ordered Staff to file a Response to the Company’s Motion by April 6, 2007.

Analysis

According to the Motion, the developer is encountering delays obtaining the LAWS for the entire extension area, specifically Parcel or Tract C, due to litigation which involves the Mohave Valley Irrigation and Drainage District (“MVIDD”). For information relating to the litigation, please see the March 21, 2007 Motion. Willow Valley believes that the developer is making progress and that the necessary approvals can be obtained within one year. Attached to the Motion was a letter signed by Mr. G. Wayne McKellips, Jr., of McKellips Land Corporation, the developer, stating the events that have given rise to Willow Valley’s request for extension.

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Staff believes that Willow Valley's request is reasonable and as such has no objection to Willow Valley being granted an extension of time, to file the LAWS. Staff would recommend a two year extension from the date of the decision. Extending the due date would allow Willow Valley one additional year to comply with the Commission Order.

In the Motion, Willow Valley, also "attached for consideration" a clean copy and redlined copy of the updated proposed Line Extension Agreement ("LXA"). ACC staff who reviews LXA will be in contact with Willow Valley and/or its Representatives regarding the clean copy and redlined copy of the LXA. If Willow Valley and/or its Representatives have any question regarding the LXA, they may contact Brad Morton at 602-542-0836.

Recommendations

Staff recommends that an extension of the compliance date from one year to two years from the date of Decision No. 68610 be granted to Willow Valley to file the LAWS.

EGJ:BNC:tdp

Originators: Blessing Chukwu

SERVICE LIST FOR: Willow Valley Water Company, Inc.
DOCKET NO. W-01732A-05-0532

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