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BEFORE THE ARIZONA CORPORATION COMMISSION
Arizona Corporation Commission

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COMMISSIONERS

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MAY 10 2007

MIKE GLEASON, Chairman
WILLIAM MUNDRELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

AZ CORP COMMISSION
DOCUMENT CONTROL

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IN THE MATTER OF THE APPLICATION OF
GOODMAN WATER COMPANY FOR AN
EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY.

DOCKET NO. W-02500A-05-0443

PROCEDURAL ORDER

BY THE COMMISSION:

On February 2, 2006, in Decision No. 68444, the Arizona Corporation Commission ("Commission") approved the application for extension of the Certificate of Convenience and Necessity ("CCN" or "Certificate") of Goodman Water Company ("Goodman" or Company"). Two of the conditions that the Commission imposed in Decision No. 68444 were that Goodman file a Main Extension Agreement ("MXA") and a copy of the developer's Certificate of Assured Water Supply ("CAWS") for the extension area within 365 days of the effective date of the Order, or February 2, 2007.

On January 30, 2007, Goodman filed a Motion for Extension of Time, requesting that the deadlines for filing the MXA and CAWS be extended to February 2, 2008. Goodman's Motion included an explanation of the circumstances that caused the delay in obtaining the MXA and CAWS.

On February 9, 2007, Commission Utilities Division Staff ("Staff") filed a letter seeking additional information from the Company concerning the request.

On February 12, 2007, the Hearing Division issued a Procedural Order directing Staff to file a Response to the Company's request by February 27, 2007.

By Procedural Order dated February 22, 2007, the Hearing Division directed Goodman to respond to Staff's request for information by March 2, 2007, and for Staff to file a Response to the Company's Motion by March 16, 2007.

1 On February 28, 2007, Goodman provided information in response to Staff's request for
2 additional information.

3 On March 16, 2007, Staff filed a Response to the Company's Motion. Staff recommends
4 extending the time for complying with Decision No. 68444 by one year, until February 2, 2008.

5 By Procedural Order dated April 13, 2007, the Hearing Division scheduled a Procedural
6 Conference for April 23, 2007, to clarify the circumstances of the delay, and to discuss reasonable
7 timeframes for compliance, as well as Staff's recommendations. Staff and Goodman appeared at the
8 April 23, 2007, Procedural Conference and offered additional information and explanation.

9 Goodman's existing CC&N is located within Pima County while the extension area which
10 was the subject of Decision No. 68444 is located in Pinal County, contiguous to the northern
11 boundary of Pima County, and contiguous to Goodman's original service area. Pima County
12 provides wastewater treatment service to Goodman's existing customers, and according to the
13 Company, is contractually committed to serve any future customers located within the existing
14 CC&N boundary. The Company states that until recently the landowners and developers had
15 believed that Pima County Wastewater Management Agency ("PCWWMA") would also provide
16 wastewater services to customers located within the extension area. The Company further states that
17 in late 2006 or early 2007, it learned that PCWWMA would not agree to provide utility services in
18 southern Pinal County. Consequently, the Company states, it has not been able to produce a MXA or
19 CAWS for the extension area because the developer's subdivision plat cannot be finalized until the
20 wastewater issue is resolved. Goodman states that the developer has engaged the engineering firm of
21 Westland Resources to design a wastewater treatment plant and to undertake a Central Arizona
22 Association of Governments ("CAAG") 208 Plan amendment. Goodman has met with Pinal County
23 authorities and proposed a wastewater solution for the area. As of the April 23, 2007 Procedural
24 Conference, Goodman was waiting to hear back from Pinal County whether the County is interesting
25 in pursuing Goodman's proposed plans for wastewater treatment.

26 Staff believes that Goodman's request is reasonable and has no objection to Goodman being
27 granted an extension of time to file the MXA and CAWS. Staff recommends a 24 month extension
28 from the date of the Decision, which would give Goodman one additional year to comply with

1 Decision No. 68444. Staff noted that in recent Commission Decisions or Orders Preliminary, the
2 Commission is granting two years for applicants to provide the information required in Decision No.
3 68444. Staff further recommends that no further time extension be granted if a sufficient CC&N
4 application for sewer service is not filed with the Commission by December 31, 2007, unless it is
5 demonstrated that sewer service will be provided by an entity that is non-jurisdictional to the
6 Commission. Staff explained at the April 23, 2007, Procedural Conference that it continued to
7 believe, based on Goodman's representations, that the Company should be able to determine if the
8 project is viable, and file a CC&N application for wastewater service by year-end 2007. Staff
9 believes that a wastewater CC&N application would be evidence that development is going forward
10 and there will be a need for water service within the extension area.

11 Goodman agreed that Staff's recommendation was reasonable. Both Goodman and Staff
12 recognized that the approved plat for the proposed development is necessary to obtain the CAWS,
13 and that, depending on how quickly the County acts on the wastewater proposal, Goodman may not
14 be able to obtain a CAWS even by February 8, 2008. Staff preferred to consider any additional
15 request for extension of Decision No. 68444's deadlines when more is known about the viability of
16 the development project.

17 Goodman has demonstrated that it is working diligently toward obtaining the CAWS and
18 MXA. The Company should know in several months whether it will be able to proceed with
19 development of the extension area. Under the circumstances, Staff's recommendation is reasonable
20 and should be adopted. Under Staff's recommendation, if Goodman files an application for a CC&N
21 to provide wastewater service in the extension area, or is able to demonstrate that a non-jurisdictional
22 entity will provide such service, and if Goodman is not able to obtain the CAWS or MXA by
23 February 2, 2008, it could seek an additional extension of the deadline.¹

24 IT IS THEREFORE ORDERED that the deadline established in Decision No. 68444 for
25 Goodman Water Company to file copies of its CAWS and MXA for the extension area shall be
26 extended until February 2, 2008.

27 _____
28 ¹ Such application would be reviewed on its merits, and we make no predetermination at this time how the Commission
would act on such request.

1 IT IS FURTHER ORDERED that any further extensions of the deadline for filing the CAWS
2 and MXA is conditioned upon Goodman Water Company filing an application for a Certificate of
3 Convenience and Necessity to provide wastewater service in the area, or demonstrating that a non-
4 jurisdictional entity will provide wastewater service in the area, by December 31, 2007.

5 DATED this 9th day of May, 2007.


JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

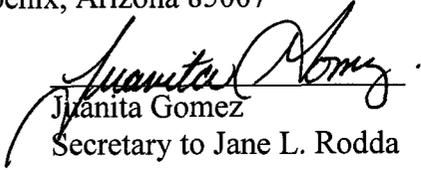
7 Copies of the foregoing mailed
8 this 9th day of May, 2007 to:

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19 By: 
20 Juanita Gomez
Secretary to Jane L. Rodda

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