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MEMORANDUM RECEIVED

TO: Docket Control Center

FROM: Ernest G. Johnson
for Director
Utilities Division

DATE: February 15, 2008

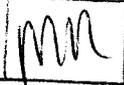
RE: SABROSA WATER COMPANY – TOWN OF CAVE CREEK REQUEST FOR
EXTENSION OF COMPLIANCE DEADLINES (DOCKET NO. W-02111A-06-0361)

2008 FEB 15 P 1: 07 Arizona Corporation Commission

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In Decision No. 69584, dated May 21, 2007, the Arizona Corporation Commission (“A.C.C.” or “Commission”) approved the application of Sabrosa Water Company (“Sabrosa” or “Company”) for a permanent rate increase in its water rates and charges. In the Decision, the Commission ordered the Company to file as compliance the following items:

- a) revised rate schedules on or before June 1, 2007
- b) notify its customers of the water rates and charges and their effective date by means of an insert in the monthly billing which precedes the month in which they become effective and file a copy of the notice.
- c) file an affidavit attesting that its books and records are being maintained in compliance with the NARUC Uniform System of Accounts by July 21, 2007.
- d) file a plan, subject to Staff approval, describing the actions it will take to obtain a Transaction Privilege Tax Identification and become compliant with state TPT rules and law for tax collected since Global’s appointment as interim manager by June 21, 2007.
- e) file a plan, subject to Staff approval, describing the actions it will take to make current property tax payments and comply with Maricopa County property tax rules and law for property under its ownership since Global’s appointment as interim manager by June 21, 2007.
- f) file a plan, subject to Staff approval, describing the actions it will take to comply with Federal and State income tax rules and laws for the period since Global’s appointment as interim manager by July 21, 2007.

On January 17, 2008, the Company filed its revised rate schedules. Staff has reviewed this document and agrees that it satisfies the compliance requirement.

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On January 17, 2008, The Town of Cave Creek ("Town") filed a request for an extension of time to file most of the compliance items listed above. The Town assumed the interim management of Sabrosa on March 5, 2007, from Global Water Resources which acted as interim manager of Sabrosa from February 1, 2005 through March 5, 2007.

The Town states that it has requested from Global the information needed to respond to the outstanding compliance items but has not yet received that information. The Town is therefore requesting an extension of time to comply with the above requirements to June 30, 2008.

Staff does not object to the Company's request for additional time to comply.

EGJ:KDB

Originator: Kimberly D. Battista

attachment

SERVICE LIST FOR: SABROSA WATER COMPANY
DOCKET NO. W-02111A-06-0361

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Interim Manager of Sabrosa Water Co.

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Utilities Division
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BEFORE THE ARIZONA CORPORATION COMMISSION

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MIKE GLEASON
Chairman
JEFF HATCH-MILLER
WILLIAM A. MUNDELL
KRISTIN K. MAYES
GARY PIERCE

IN THE MATTER OF THE APPLICATION
OF SABROSA WATER CO. FOR A
PERMANENT RATE INCREASE

DOCKET NO. W-02111A-06-0361

APPLICATION OF TOWN OF
CAVE CREEK FOR EXTENSION
OF TIME

From February 1, 2005 through March 5, 2007, Global Water Resources ("Global") acted as interim manager of Sabrosa Water Co. ("Sabrosa") pursuant to a letter agreement entered into by the Utilities Division in accordance with Arizona Corporation Commission Decision Nos. 62572 and 63136. On March 5, 2007, the Town of Cave Creek ("Town ") assumed the interim management of Sabrosa under a letter agreement dated March 5, 2007.

Decision No. 69574 provides that Sabrosa file with the Commission a copy of its rates and charges, an affidavit that books and records are maintained in accordance with the NARUC Uniform System and Accounts, and plans to become compliant with TPT rules and laws, Maricopa County property tax rules and income tax rules for the period since Global's appointment as interim manager.

The Town has requested from Global the information concerning these matters during the period that Global served as interim manager but has not yet received that information. The Town is preparing a long term plan for water service to the Sabrosa service area and needs additional time in which to complete the plan and concurrently to comply with the requirements of Decision No. 68745.

WHEREFORE, the Town, as interim manager of Sabrosa, requests an extension of time within which to comply with the requirement of Decision No. 68745 to June 30, 2008.

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The Town of Cave Creek requests that all communications in connection with the above-captioned proceedings be directed to:

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With a copy to:

Jessica Marlow, Director
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RESPECTFULLY SUBMITTED this 17th day of January, 2008.

SACKS TIERNEY P.A.

By  for
Marvin S. Cohen
Attorneys for Town of Cave Creek
Interim Manager of Sabrosa Water Co.

ORIGINAL AND 13 COPIES OF THE FOREGOING FILED this 17th day of January, 2008, with:

Arizona Corporation Commission
Docket Control Center
1200 West Washington
Phoenix, Arizona 85007

COPY OF THE FOREGOING MAILED this 17th day of January, 2008, to:

Tim Sabo
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