

OPEN MEETING ITEM



0000086590

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



RECEIVED  
ARIZONA CORPORATION COMMISSION

ORIGINAL

2008 JUL 11 P 3:00

DATE: JULY 11, 2008  
DOCKET NO: W-03512A-03-0279  
TO ALL PARTIES:

AZ CORP COMMISSION  
DOCKET CONTROL

Enclosed please find the recommendation of Administrative Law Judge Dwight Nodes. The recommendation has been filed in the form of an Order on:

PINE WATER COMPANY  
(EXTENDING TIME DEADLINES  
CONTAINED IN DECISION NO. 67166)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and ten (10) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

JULY 21, 2008

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Working Session and Open Meeting to be held on:

JULY 29, 2008 AND JULY 30, 2008

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

BRIAN C. McNEIL  
EXECUTIVE DIRECTOR

Arizona Corporation Commission  
DOCKETED

JUL 11 2008

DOCKETED BY  
mn

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**BEFORE THE ARIZONA CORPORATION COMMISSION**

**COMMISSIONERS**

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

IN THE MATTER OF THE APPLICATION OF  
PINE WATER COMPANY FOR A  
DETERMINATION OF THE CURRENT FAIR  
VALUE OF ITS UTILITY PLANT AND  
PROPERTY AND FOR INCREASES IN ITS  
RATES AND CHARGES BASED THEREON  
FOR UTILITY SERVICE AND FOR APPROVAL  
TO INCUR LONG-TERM DEBT.

DOCKET NO. W-03512A-03-0279

DECISION NO. \_\_\_\_\_

**ORDER EXTENDING TIME  
DEADLINE CONTAINED IN  
DECISION NO. 67166**

Open Meeting  
July 29 and 30, 2008  
Phoenix, Arizona

**BY THE COMMISSION:**

**FINDINGS OF FACT**

1. On August 10, 2004, the Arizona Corporation Commission ("Commission") issued Decision No. 67166 which approved a rate increase and authority to incur long-term debt for Pine Water Company ("Pine Water" or "Company"), and imposed certain other conditions on the Company. One of the conditions imposed on Pine Water by Decision No. 67166 was a requirement that the Company file a rate application by June 1, 2008, using a 2007 test year.

2. On February 27, 2008, Pine Water filed a Request for Extension of Deadline to File Rate Case. The Company contends that its extension request is justified because it is currently working with the Pine-Strawberry Water Improvement District on a deep well project in Strawberry, Arizona, and that it has begun to explore the possible acquisition of another deep well in Pine, Arizona. Pine Water claims that if one or both of the projects are successful, a rate filing would follow to allow the Company the opportunity to recover its investment. The Company further contends that the earlier filing deadline set forth in Decision No. 67166 would not enable it to include

1 the investments in either of the deep well projects, and would result in a "pancaking" of rate  
2 applications. Pine Water states that the public interest would not be served by requiring multiple rate  
3 applications and the Company therefore requests that the rate case filing deadline be extended by one  
4 year, until June 1, 2009.

5 3. On March 12, 2008, the Commission's Utilities Division ("Staff") filed a  
6 Memorandum recommending approval of the extension request. However, Staff also recommended  
7 that no additional extensions of time be granted.

8 4. Although we are not adopting Staff's recommendation that no future extensions be  
9 granted, we will put the Company on notice that any future requests for extensions of time to comply  
10 must demonstrate that extraordinary circumstances exist that warrant additional time.

11 **CONCLUSIONS OF LAW**

12 1. Pine Water Company is a public service corporation within the meaning of Article XV  
13 of the Arizona Constitution and A.R.S. §§40-281 and 40-282.

14 2. The Commission has jurisdiction over Pine Water Company and the subject matter of  
15 the extension request addressed herein.

16 3. Staff's recommendations, as modified herein, are reasonable and should be adopted.

17 ...  
18 ...  
19 ...  
20 ...  
21 ...  
22 ...  
23 ...  
24 ...  
25 ...  
26 ...  
27 ...  
28

1 ...

2

**ORDER**

3

4

5

IT IS THEREFORE ORDERED that Pine Water Company shall be granted an extension of time, until June 1, 2009, to file a rate application in accordance with the requirement set forth in Decision No. 67166. The application shall be based on a 2008 test year.

6

7

IT IS FURTHER ORDERED no additional extensions of time will be granted regarding this matter absent extraordinary circumstances.

8

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

9

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

10

11

12

CHAIRMAN

COMMISSIONER

13

14

15

COMMISSIONER

COMMISSIONER

COMMISSIONER

16

17

18

19

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

20

21

\_\_\_\_\_  
BRIAN C. McNEIL  
EXECUTIVE DIRECTOR

22

23

24

DISSENT \_\_\_\_\_

25

26

DISSENT \_\_\_\_\_

27

DN:db

28

1 SERVICE LIST FOR: PINE WATER COMPANY

2 DOCKET NO. W-03512A-03-0279

3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Jay L. Shapiro  
Patrick J. Black  
FENNEMORE CRAIG  
3003 N. Central Ave., Suite 2600  
Phoenix, AZ 85012  
Attorneys for Pine Water Company

Robert M. Cassaro  
P.O. Box 1522  
Pine, AZ 85544

John O. Breninger  
P.O. Box 2096  
Pine, AZ 85544

Pine-Strawberry Water Improvement District  
P.O. Box 134  
Pine, AZ 85544

Janice Alward, Chief Counsel  
Legal Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, AZ 85007

Ernest G. Johnson, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington  
Phoenix, AZ 85007