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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

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

AUG - 6 2008

DOCKETED BY

IN THE MATTER OF THE JOINT APPLICATION OF: (1) FRANCISCO GRANDE UTILITY COMPANY, AN ARIZONA CORPORATION, TO TRANSFER A PORTION OF ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY TO ARIZONA WATER COMPANY, AN ARIZONA CORPORATION; (2) ARIZONA WATER COMPANY TO INCLUDE CERTIFICATED AREA TO BE TRANSFERRED BY FRANCISCO GRANDE UTILITY COMPANY IN ARIZONA WATER COMPANY'S CASA GRANDE CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-01445A-05-0700
DOCKET NO. WS-01775A-05-0700

DECISION NO. 70450

**ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 68654**

Open Meeting
July 29 and 30, 2008
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On October 4, 2005, Francisco Grande Utility Company ("Francisco") and Arizona Water Company ("AWC") ("Joint Applicants") jointly filed with the Arizona Corporation Commission ("Commission") to transfer a portion of Francisco's Certificate of Convenience and Necessity ("Certificate" or "CC&N") to AWC and for AWC to include the same area in AWC's Casa Grande Certificate.

2. On April 12, 2006, the Commission issued Decision No. 68654 approving the application of AWC and Francisco. Pursuant to Commission Decision No. 68654 (April 12, 2006), AWC was required to file the following compliance items:

1. Copies of the Arizona Department of Environmental Quality's Approval to Construct for facilities needed to serve the requested transfer areas within two years of the effective date of the Decision.

- 1 2. A Notice of filing indicating Arizona Water Company has submitted for
2 Staff's review and approval, a copy of the fully executed main extension
3 agreements for water facilities for the requested transfer areas within
4 two years of the effective date of the Decision.
- 5 3. A copy of the developers' Certificate of Assured Water Supply for the
6 requested transfer areas where applicable or when required by statute,
7 within two years of the effective date of the Decision.

8 3. On March 10, 2008, AWC filed a Request for Additional Time for Compliance
9 ("Request") with Decision No. 68654, until April 12, 2010, to file the above compliance items. In
10 support of the Request, AWC included copies of letters from the owners of the majority of the
11 properties located in the approved expansion area stating their continuing need for service and intent
12 to develop. Some of the letters from the developers stated that their current plans are to develop
13 within 24 months and that if the market improves they hope to shorten that timeframe. Further, on
14 March 11, 2008, AWC filed an additional property owner letter which reaffirmed the owner's wish to
15 obtain water service from AWC.¹

16 5. On April 11, 2008, Staff filed a memorandum stating that Staff has no objection to
17 Arizona Water's request for additional time, until April 12, 2010, to comply with the requirements
18 outlined in Decision 68654. Staff further recommended that no further time extensions be granted in
19 this matter.

20 6. AWC made a timely request to extend the compliance deadlines set forth in Decision
21 No. 68654. AWC also submitted letters from the owners of the majority of the properties located in
22 the approved extension area showing there is a continuing need for service and an intent to develop.
23 Therefore, we find that AWC's request for an extension of time is reasonable and should be granted.

24 7. Further, although we are not adopting Staff's recommendation that no further time
25 extensions should be granted for AWC to comply with Commission Decision No. 68654, we will put
26 AWC on notice that any further requests for extensions of time to comply must demonstrate that
27 extraordinary circumstances exist that warrant additional time.

28 ¹ See Request, Attachments 2-5.

CONCLUSIONS OF LAW

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2 1. Francisco Grande Utility Company and Arizona Water Company are a public service
3 corporations within the meaning of Article XV of the Arizona Constitution and A.R.S. §§40-281 and
4 40-282.

5 2. The Commission has jurisdiction over Francisco Grande Utility and Arizona Water
6 Company and the subject matter of the Request for Additional Time to Comply with Commission
7 Decision No. 68654.

8 3. Staff's recommendations, as modified herein, are reasonable and should be adopted.
9

10 **ORDER**

11 IT IS THEREFORE ORDERED that Arizona Water Company's Request for an Extension of
12 Time to Comply, until April 12, 2010, with Commission Decision No. 68654, is hereby granted.

13 IT IS FURTHER ORDERED that no additional extensions of time shall be granted regarding
14 this matter absent extraordinary circumstances.
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IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

Lawrence P. Gleason
CHAIRMAN

COMMISSIONER

Stephen M. Hatch-Delley
COMMISSIONER

[Signature]
COMMISSIONER

[Signature]
COMMISSIONER

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 6th day of Aug., 2008.

[Signature]
BRIAN C. MCNEIL
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

YBK:db

1 SERVICE LIST FOR: FRANCISCO GRANDE UTILITY COMPANY AND
2 ARIZONA WATER COMPANY

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