



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

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

SEP 30 2008

DOCKETED BY [Signature]

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

DOCKET NO. W-01445A-05-0701

DECISION NO. 70527

ORDER EXTENDING TIME DEADLINE CONTAINED IN DECISION NO. 68919

Open Meeting
September 23 and 24, 2008
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On October 4, 2005, Arizona Water Company ("AWC" or "Applicant"), filed with the Arizona Corporation Commission ("Commission") an application for an extension of its Certificate of Convenience and Necessity ("Certificate" or "CC&N") to provide water service within its Superstition System, in Pinal County, Arizona. AWC's application further stated that it had received a request to provide water service from Ecco Holdings, LLC ("Ecco"), which owns all of the property in the requested extension area.

2. On August 29, 2006, the Commission issued Decision No. 68919 approving the application of AWC. Decision No. 68919, ordered AWC to file the following compliance items:

- 1. AWC shall file with Docket Control, as a compliance item in this docket, a Notice of Filing indicating AWC has submitted for Staff's review and approval, a copy of the fully executed main extension agreements for water facilities for the extension area within two years of a Decision in this matter.
- 2. AWC shall file with Docket Control, as a compliance item in this docket, a copy of the Arizona Department of Environmental Quality ("ADEQ") Approval to

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Construct ("ATC") for facilities needed to serve the extension area within two years of the effective date of this Decision.

3. AWC shall file with Docket Control, as a compliance item in this docket, a copy of the developer's Certificate of Assured Water Supply ("CAWS"), where applicable or when required by statute within two years of the effective date of this Decision.

3. On June 27, 2008, AWC filed a Request for Additional Time to Comply ("Request") with the Filing Requirement in Decision No. 68919. AWC requested an extension of time until August, 29, 2010, to comply with the Decision. In support of the Request, AWC submitted a letter from the developer, Ecco, which states that the "current plans include beginning development within 24 months if market conditions do not worsen." The developer's letter also expressed a continuing desire to have AWC provide water service in the extension area.

5. On August 6, 2008, Staff filed a memorandum stating that Staff has no objection to Arizona Water's request for additional time, until August 29, 2010, to comply with the requirements outlined in Decision 68919. Staff's memorandum also stated that Staff contacted Mr. Eric E. Capranica, of Ecco Holdings, LLC, and confirmed that the extension of time is necessary due to the slow marketplace and due to Pinal County's backlog in processing approvals for water facilities. Although Staff does not object to AWC's request for an extension of time, Staff recommends that no further time extensions be granted in this matter.

6. AWC made a timely request to extend the compliance deadlines set forth in Decision No. 68919. AWC submitted a letter from the developer which expressed a continuing need for service and an intent to develop. Therefore, we find that AWC's request for an extension of time is reasonable and should be granted.

7. Further, although we are not adopting Staff's recommendation that no further time extensions should be granted for AWC to comply with Commission Decision No. 68919, we will put AWC on notice that any further requests for extensions of time to comply must demonstrate that extraordinary circumstances exist that warrant additional time.

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CONCLUSIONS OF LAW

- 1. Arizona Water Company is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§40-281 and 40-282.
- 2. The Commission has jurisdiction over Arizona Water Company and the subject matter of the Request for Additional Time to Comply with Commission Decision No. 68919.
- 3. Staff's recommendation that AWC should receive an extension of time to comply with Decision No. 68919 is reasonable and should be adopted.

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ORDER

IT IS THEREFORE ORDERED that Arizona Water Company's Request for an Extension of Time to Comply, until August 29, 2010, with the compliance items stated in Finding of Fact 2, and as outlined in with Commission Decision No. 68919, is hereby granted.

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

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

Samuel Heaton
CHAIRMAN

William J. Mundell
COMMISSIONER

COMMISSIONER

[Signature]
COMMISSIONER

Gary [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 30th day of Sept., 2008.

[Signature]
BRIAN C. McNEIL
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

YBK:db

1 SERVICE LIST FOR: ARIZONA WATER COMPANY

2 DOCKET NOS. W-01445A-05-0701

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