

ORIGINAL

MEMORANDUM



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TO: Docket Control Center

FROM: Ernest G. Johnson
Director
Utilities Division

2008 DEC 12 A 10:43

AZ CORP COMMISSION
DOCKET CONTROL

DATE: December 12, 2008

RE: SUN LEISURE ESTATES UTILITIES CO., INC. - REQUEST FOR EXTENSION OF COMPLIANCE DEADLINE (DOCKET NO. W-02386A-08-0129)

In Decision No. 70375, dated June 13, 2008, the Arizona Corporation Commission ("Commission") denied the application of Sun Leisure Estates Utilities Company, Inc. ("Sun Leisure" or "Company") for an emergency surcharge. In that decision, the Company was ordered to provide the following:

"file an application for a permanent rate increase within 120 days of the effective date of this decision, based on a year-end 2007 Test Year."

Based on the Commission ordered 120 day timeframe, the due date for compliance with this requirement was October 13, 2008.

On October 17, 2008, Sun Leisure docketed a request for extension of time seeking a six month extension from the original due date of October 13, 2008, or until April 13, 2009. In the application for extension of time (attached), the Company stated ... "because Sun Leisure's Certificate of Convenience and Necessity ("CC&N") had been revoked, the company was required to first file an application for a new CC&N before it could file for a rate increase".

On December 9, 2008, Staff contacted Mr. Jason Moyes, attorney for Sun Leisure, to discuss the Company request for extension of time. Mr. Moyes confirmed that the Company CC&N is still currently out of force. However, he stated that the Company is addressing that fact through a currently pending CC&N (reinstatement) application. That CC&N case (Docket No. W-02386A-08-0189) was found sufficient on December 4, 2008. Without further delays, the CC&N case should be decided in May 2009.

Staff recommends that the Company be granted until July 31, 2009, to file the required rate case, utilizing a Test Year ending December 31, 2008. Staff further recommends that the Company be ordered to begin now in preparing both their accounting system/physical records and in identifying the necessary management or accounting professionals that will be utilized in the production of the required rate case filing.

EGJ:BKB:lh

Originator: Brian K. Bozzo

Attachment

Arizona Corporation Commission

DOCKETED

DEC 12 2008

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SERVICE LIST FOR:
DOCKET NO.

SUN LEISURE ESTATES UTILITIES COMPANY, INC.
W-02386A-08-0129

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Ms. Lyn Farmer
Chief Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 West Washington Street
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✓
Checked

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October 15, 2008

Brian Bozzo
Utilities Compliance Division
Arizona Corporation Commission
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Phoenix, Arizona 85007

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OCT 17 2008

CORP. DIV.
Director Utilities

Re: Sun Leisure Estates Utilities Co. Inc.
Decision No. 70375

Docket # W-02386A-08-0129

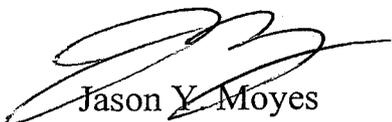
Dear Mr. Bozzo:

On June 16, 2008, our client, Sun Leisure Estates Utilities Company, Inc. ("Sun Leisure"), received the above- referenced decision from the Arizona Corporation Commission. In that decision, Sun Leisure was ordered to file an application for a permanent rate increase within 120 days of the effective date of the decision.

Because Sun Leisure's Certificate of Convenience and Necessity ("CC&N") had been revoked, the company was required to first file an application for a new CC&N before it could file for a rate increase. Sun Leisure has recently completed that application and submitted the necessary documentation to the Arizona Corporation Commission. However, the company has not yet been able to file an application for a permanent rate increase.

We would therefore like to request an extension of time to allow the company to obtain the necessary information to submit a new rate application. Please let me know if a six month extension would be possible.

Sincerely,



Jason Y. Moyes

c: Chuck Swysgood