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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

DEC 17 2008

DOCKETED BY *MM*

IN THE MATTER OF THE APPLICATION
OF ARIZONA WATER COMPANY FOR AN
EXTENSION OF ITS CERTIFICATE
OF CONVENIENCE AND NECESSITY AT
COOLIDGE, PINAL COUNTY, ARIZONA

DOCKET NO. W-01445A-05-0389

**REQUEST FOR ADDITIONAL TIME TO
COMPLY WITH FILING REQUIREMENT**

On February 2, 2006 the Commission entered Decision No. 68442 in the above-captioned docket. Decision No. 68422 (the "Decision") approved Arizona Water Company's (the "Company") application for an extension of its Certificate of Convenience and Necessity for its Coolidge system. The first ordering paragraph of the Decision, at page 5, conditioned the approval of the extension on the conditions recommended by Staff, as set forth in Finding of Fact No. 18.

The Company is now requesting an additional period of two (2) years beyond the current compliance date, i.e., an extension to February 2, 2011 to file the remaining compliance items. In support of this request, the Company presents the following:

1. The Decision concerned three parcels, Parcels One, Two and Three. Pursuant to filings in this docket on December 27, 2006 and December 13, 2007, the Company has complied with the Decision's conditions with respect to Parcels One and Two.

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2. With respect to the Vail and Kleck, LLC development (Parcel Three in the Decision), the Company has received an updated development status report from Kam Talebi, the Managing Partner of Vail and Kleck, LLC. A copy of the report is attached hereto as Attachment A. Mr. Talebi's letter confirms that Vail and Kleck, LLC is continuing with its plans to develop its property and that Vail and Kleck still needs and desires that the Company retain a Certificate of Convenience and Necessity that includes Parcel 3 and that water service will be required.

3. The State of Arizona, and the United States of America as a whole, are in the midst of a severe economic recession that may deepen and worsen before it improves. No economist or forecaster can say with any certainty when the economy may recover. The recession has had a particularly adverse effect on the real estate market in Arizona, and the impact on the market for development in Pinal County, the Company submits, was not reasonably foreseeable by anyone when the Commission entered the Decision and included post-order conditions. This reality should be considered by the Commission in evaluating the Company's Request. In addition, cancelling a Certificate of Convenience and Necessity, in effect, as a result of the adverse market conditions that exist at this time may also result in additional barriers to a market recovery and economic hardships when these developments are ready to proceed.

4. Finally, and, perhaps, most compelling, the Company is now providing water service to 14 customers in the expansion area approved in the Decision. In consideration of the fact that, except for Parcel 3, as noted above, the Company has filed all of the compliance items required by the Decision, the Company submits that water service to these customers should not be subjected to any interruption, as the Company is in substantial compliance with the Decision,

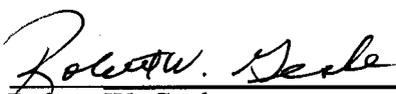
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particularly when, as noted in paragraph 3, above, the Company's current inability to satisfy the conditions concerning Parcel 3 are beyond the control of the Company, the developer, and the 14 customers who would be adversely affected by the denial of the Company's Request.

In consideration of the foregoing, the Company respectfully requests another two years, until February 2, 2011, to comply with the remaining conditions with respect to Parcel 3. This request should not prejudice any other party and, as noted above, the lack of an extension would result in significant adverse prejudice to the customers in the expansion area and to the developer who is proceeding in good faith to develop its property in reliance upon the Decision.

RESPECTFULLY SUBMITTED this 17th day of December 2008.

ARIZONA WATER COMPANY

By: 
Robert W. Geake
Vice President and General Counsel
ARIZONA WATER COMPANY
Post Office Box 29006
Phoenix, Arizona 85038-9006

1 Original and thirteen (13) copies of the foregoing filed the 17th day of December 2008 with:

2 Docket Control Division
3 Arizona Corporation Commission
4 1200 West Washington Street
5 Phoenix, Arizona 85007

6 A copy of the foregoing was mailed this 17th day December 2008 to:

7 Janice Alward, Chief Counsel
8 Legal Division
9 Arizona Corporation Commission
10 1200 West Washington Street
11 Phoenix, Arizona 85007

12 Ernest G. Johnson, Director
13 Utilities Division
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17 Brian Bozzo, Director of Compliance
18 Utilities Division
19 Arizona Corporation Commission
20 1200 West Washington Street
21 Phoenix, Arizona 85007

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By Robert Deane

ATTACHMENT A

VAIL AND KLECK, L.L.C.

18734 Melrose Chase
Eden Prairie, MN 55347

Arizona Water Company
Attn: Robert W. Geake
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Re: CC&N – Vail and Kleck L.L.C.

Dear Mr. Geake:

I am following up with you regarding Pinal County Assessor's Parcel Nos. 401-33-002A and 401-33-002B which Vail and Kleck, L.L.C. owns. Vail and Kleck still needs and desires to receive water service from Arizona Water Company to serve these parcels. Our current plans include beginning development within twenty-four months if market conditions do not worsen.

If you have any questions, please feel free to contact us.

Sincerely,
Vail and Kleck, L.L.C.

By: 
Authorized Representative

Its: CGO

