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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

KRISTIN K. MAYES - Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

Arizona Corporation Commission

DOCKETED

MAR 17 2010

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION
OF RED ROCK UTILITIES, L.L.C. FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER AND
WASTEWATER SERVICE TO A PORTION
OF PINAL COUNTY.

DOCKET NO. WS-04245A-04-0184

DECISION NO. 71499

**ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 67409**

Open Meeting
March 2 and 3, 2010
Phoenix, Arizona

BY THE COMMISSION:

* * * * *

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. On November 2, 2004, the Commission issued Decision No. 67409 which approved the application of Red Rock Utilities, L.L.C. ("Red Rock" or "Company") for a Certificate of Convenience and Necessity ("CC&N") to provide water and wastewater service in Pinal County.

2. As part of Decision No. 67409, the Commission ordered that:

"... Red Rock Utilities L.L.C. shall file a rate application for its water and wastewater systems no later than three months following the fifth anniversary of this Decision."

3. Based on the November 2, 2004 date of Decision No. 67409, the deadline for filing the rate application was February 2, 2010.

4. On December 28, 2009, Red Rock filed for an extension of time until August 3, 2012, to file the required rate applications. In its request, the Company identified that the original master

1 developer of the Red Rock Village master-planned community sold the project to Pulte Homes, and
 2 that due to that transaction, and the general effects of the recession and slowdown in the marketplace,
 3 the pace of development has been slower than expected. Red Rock reports that its first water and
 4 wastewater customer was not connected until August 3, 2007.

5 5. On February 5, 2010, The Commission's Utilities Division ("Staff") filed a
 6 Memorandum that does not oppose the Company's requested extension.

7 6. Staff's investigation indicates that currently the Company has 527 customers in a
 8 1,300 acre project that is zoned for a total of 3,900 units. The Company believes that the requested
 9 extension will allow for a more representative Test Year, and also that the proposed extension date,
 10 which is five years after the Company commenced service to its first customers, is consistent with
 11 recent Commission decisions.

12 7. Staff concurs with the Company's reasoning. Staff believes the sale of the project and
 13 the changing developmental landscape are legitimate explanations for the slower than anticipated
 14 growth. Furthermore, Staff states that the proposed August 3, 2012, compliance date is consistent
 15 with the Commission's current requirement of filing a rate case five years from the date of serving
 16 the first customer rather than from the date of the Decision. For the foregoing reasons, Staff does not
 17 object to the Company's request to extend the time for filing a rate application until August 3, 2012.

18 8. Under the circumstances, the requested extension is reasonable and should be
 19 approved.

20 CONCLUSIONS OF LAW

21 1. Red Rock is a public service corporation within the meaning of Article XV of the
 22 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

23 2. The Commission has jurisdiction over Red Rock and the subject matter of the request.

24 3. The requested extension of time is reasonable and should be approved.

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ORDER

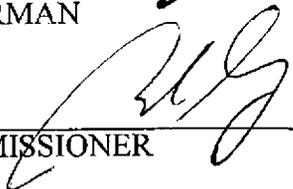
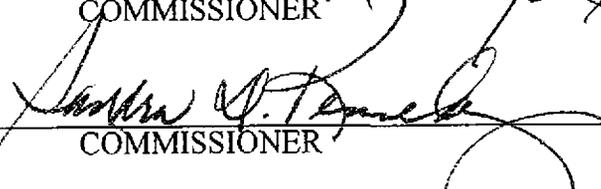
IT IS THEREFORE ORDERED that the deadline for Red Rock Utilities, L.L.C. to file rate cases, as required in Decision No. 67409 is extended to August 3, 2012.

IT IS FURTHER ORDERED that all other provisions of Decision No. 67409 shall remain in effect.

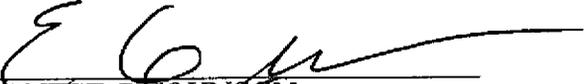
IT IS FURTHER ORDERED that no additional extensions of time shall be granted absent extraordinary circumstances.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

		
CHAIRMAN	COMMISSIONER	COMMISSIONER
		
COMMISSIONER	COMMISSIONER	

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, 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 17th day of MARCH, 2010.


ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

JR

1 SERVICE LIST FOR:

RED ROCK UTILITIES, L.L.C.

2 DOCKET NO.:

WS-04245A-04-0184

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