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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

MAR 17 2010

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

DOCKETED BY
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IN THE MATTER OF THE APPLICATION OF
WILHOIT WATER COMPANY, INC.,
THUNDERBIRD MEADOWS SYSTEM, FOR
RETROACTIVE APPROVAL OF A FINANCING
APPLICATION.

DOCKET NO. W-02065A-07-0306

IN THE MATTER OF THE APPLICATION OF
WILHOIT WATER COMPANY, INC.,
THUNDERBIRD MEADOWS SYSTEM, FOR
APPROVAL OF A FINANCING APPLICATION.

DOCKET NO. W-02065A-07-0307

IN THE MATTER OF THE APPLICATION OF
WILHOIT WATER COMPANY, INC.,
THUNDERBIRD MEADOWS SYSTEM, FOR
APPROVAL OF A PERMANENT RATE
INCREASE

DOCKET NO. W-02065A-07-0312

IN THE MATTER OF THE APPLICATION OF
WILHOIT WATER COMPANY, INC.,
THUNDERBIRD MEADOWS SYSTEM, FOR
THE APPROVAL OF A FINANCING
APPLICATION.¹

DOCKET NO. W-02065A-08-0138

DECISION NO. 71515

**ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 71234**

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
Commission finds, concludes, and orders that:

FINDINGS OF FACT

1. On August 6, 2009, the Arizona Corporation Commission ("Commission") issued

¹ On February 4, 2009, this Docket was closed administratively.

1 Decision No. 71234 which approved the application of Wilhoit Water Company, Inc. ("Company" or
2 "Applicant") on behalf of its Thunderbird Meadows System ("Thunderbird") for a rate increase and
3 for financing approval to fund the costs for additional storage facilities.

4 2. The Commission's approval of the Company's financing application was conditioned
5 upon the Company filing by December 31, 2009, with the Commission's Docket Control, as a
6 compliance item in this docket, a copy of the Arizona Department of Environmental Quality
7 ("ADEQ") Certificate of Approval to Construct ("ATC") for the additional storage facilities; and
8 upon the Company filing by December 31, 2010, in a like fashion, a copy of the ADEQ Certificate of
9 Approval of Construction ("AOC") for the additional storage.

10 3. On December 11, 2009, the Company filed a Motion for an Extension of Time
11 ("Motion"), until May 1, 2010, for approval by the Commission to file the ADEQ ATC. The
12 Company explained that although the Company had recently learned its loan had been approved and
13 that it expected the loan to close soon, that without the loan funds, the Company lacks the resources
14 to retain a firm to design and construct the new storage facilities. Subsequently, the Company's
15 consultant also requested a similar extension of time to file a copy of the ADEQ AOC for the new
16 storage facilities.

17 4. On January 29, 2010, the Commission's Utilities Division ("Staff") filed a Staff
18 Memorandum in response to the Motion in which Staff recommended approval of an extension until
19 December 31, 2010, in order for the Company to file a copy of the ADEQ ATC, and until May 1,
20 2011, to file a copy of the ADEQ AOC for the additional storage facilities.

21 5. Staff stated that it had recently contacted the Executive Director and a Senior Loan
22 Officer of the Water Infrastructure Authority ("WIFA") who advised Staff that although the loan had
23 been approved on October 14, 2009, it had not closed as of January 11, 2010, and that recent changes
24 related to the federal minimum wage laws must be included in the Company's construction contracts
25 and this would delay the processing and the closing of the loan.

26 6. Staff contacted the Company's consultant who indicated that the Company is
27 concerned with the effects of changes to the federal minimum wage laws which could possibly
28 increase the project's cost by 15 to 20 percent and these costs were not considered when the loan for

1 the project was approved in Decision No. 71234. As a result of the changes to the laws, the
2 Company believes that the authorized loan of \$145,877 may be insufficient to fund the project.

3 7. The Company's consultant indicated that he has been in contact with Commission
4 Staff concerning how to address the possible funding shortfall.

5 8. Staff is concerned with the Company's failure to meet the compliance requirements of
6 Decision No. 71234 because the Company has to close on the loan, contract for the construction
7 work, and apply for and secure the ADEQ ATC in barely three months time. Then the Company will
8 have to complete the construction of the facilities and secure the ADEQ AOC to further comply with
9 Decision No. 71234. Staff is uncertain whether the Company can complete the project in the period
10 of time requested by the Company. Additionally, Staff believes that if the authorized funding of
11 \$145,877 is insufficient, the Company should promptly apply for additional financing authorization,
12 if necessary, since an infrastructure surcharge mechanism was previously approved in Decision No.
13 71234 to repay any financing which is approved by the Commission in this matter.

14 9. Under the circumstances, the Company should be granted an extension of time until
15 December 31, 2010, in which to file a copy of its ADEQ ATC as recommended by Staff, and until
16 May 1, 2011, to file a copy of the ADEQ AOC.

17 **CONCLUSIONS OF LAW**

18 1. The Company is a public service corporation within the meaning of Article XV of the
19 Arizona Constitution and A.R.S. §§ 40-250 and 40-251.

20 2. The Commission has jurisdiction over Applicant and of the subject matter of the
21 extension request addressed herein.

22 3. Staff's recommendation for the extension of time to file the Company's ADEQ AOC
23 should be adopted.

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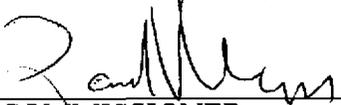
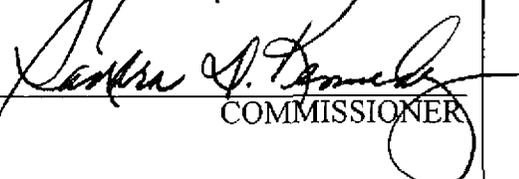
ORDER

IT IS THEREFORE ORDERED that the Wilhoit Water Company, Inc. on behalf of its Thunderbird Meadows System shall be granted an extension of time until December 31, 2010, to file its ADEQ ATC and until May 1, 2011, to file its ADEQ AOC for the storage facilities as required by Decision No. 71234.

IT IS FURTHER ORDERED that the Wilhoit Water Company, Inc. on behalf of its Thunderbird Meadows System shall be granted no further extensions in this matter, absent good cause shown.

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 _____

MES:db

1 SERVICE LIST FOR:

WILHOIT WATER COMPANY, INC.,
THUNDERBIRD MEADOWS SYSTEM

2
3 DOCKET NOS.:

W-02065A-07-0306, W-02065A-07-0307,
W-02065A-07-0312 and W-02065A-08-0138

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