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MEMORANDUM
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Arizona Corporation Commission

DOCKETED

FROM: Steven M. Olea
Director
Utilities Division

AZ CORP COMMISSION
DOCKET CONTROL

APR 29 2010

DATE: April 29, 2010

DOCKETED BY	<i>MM</i>
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RE: WATER UTILITY OF GREATER TONOPAH, INC. (DOCKET NO. W-02450A-04-0837)

In Decision No. 68307, dated November 14, 2005, the Arizona Corporation Commission ("Commission") approved the application of Water Utility of Greater Tonopah, Inc. ("WUGT" or "Company") for an extension of its Certificate of Convenience and Necessity ("CC&N") relating to water service in Maricopa County, Arizona.

As part of Decision No. 68307, the Commission ordered that the following be due on or before November 14, 2006:

"... a copy of the developer's CAWS issued by ADWR where applicable or when required by statute."

On March 27, 2007, WUGT docketed a filing titled "motion to extend time" seeking until September 23, 2008 for the provision of the Certificate of Assured Water Supply ("CAWS") filing. This was the first extension of time sought by the Company on this item. Staff filed its response on April 16, 2007, and did not object to the Company requested extension of time. In a Procedural Order dated May 3, 2007, the Commission approved the Company's requested extension of time until September 23, 2008 for provision of the CAWS filing.

On September 12, 2008, WUGT docketed another "motion for extension of time" seeking an extension until May 16, 2010 for the provision of either the Certificate of Assured Water Supply ("CAWS") ordered by the decision or a Designation of Assured Water Supply ("DAWS"). Staff filed its response on October 2, 2008 and did not object to the Company's second request for extension of time on the CAWS. In Decision No 70690, dated January 20, 2009, the Commission approved the Company's requested extension of time until May 16, 2010 for provision of the CAWS filing. However, Decision No. 70690 also provided the following on the request to file either a CAWS or a DAWS:

"Global Tonopah's request to file a DAWS in lieu of a CAWS would require modification of Decision No. 68307, pursuant to A.R.S. § 40-252, and to date the Commission has not made a determination to conduct such a proceeding."

On March 4, 2010, WUGT filed a third "Motion for Extension of Time" in which the Company requested that the due date to comply with the required provision of the CAWS be

extended from May 16, 2010 to December 31, 2012. The application points out that WUGT has already made substantial progress in complying with Decision No. 68307 by meeting six of the seven compliance obligations therein and submitting the ADEQ Analysis of Assured Water Supply ("AAWS") designation to the Commission.

The application further provides that the review of WUGT's application for assured water supply is subject to an emerging ADWR regional approach to ongoing groundwater analysis. This ADWR review includes a regional analysis on many AAWS, CAWS and DAWS designations resulting in a "comprehensive review of water supply issues" in the Lower Hassayampa Sub-basin. These Company claims are supported by a November 16, 2009 letter from Karen Smith, Deputy Director of the Arizona Department of Water Resources ("ADWR") which identifies that ADWR has been working "tirelessly" with developers and water providers such as Global Water and the Town of Buckeye to achieve sustainable water in the Lower Hassayampa Sub-basin. Her letter further stated that providing the opportunity for Global/WUGT to move forward in obtaining the DAWS, as opposed to multiple CAWS, provides a greater opportunity to "move closer to sustainability by maximizing water reuse, recycling and recharge". Finally, she reminded that ADWR requires a CC&N to approve a DAWS and that "regional planning takes time to achieve".

WUGT further proposed that the deadline on the CAWS, or in their preference the DAWS, should be tied to an extension deadline granted in Docket No. W-02450A-06-0626, which is a Belmont Water case involving the same regional DAWS through ADWR. The Company states that the extension due date in the current case should logically match the December 31, 2012 extension date granted to Belmont Water in that case.

In summary, Staff is aware of the downturn in the housing market and the difficulty this has brought to the Arizona economy. Further, WUGT has been involved in the analysis of Lower Hassayampa Sub-Basin issues and has provided information for ADWR to utilize in that capacity. The Company has also accomplished the other compliance items associated with Decision No. 68307.

Based on all of the above, Staff does not object to the WUGT request for extension of time for provision of the CAWS until December 31, 2012. Staff finds that the Commission has already notified WUGT that any request to file a DAWS requires a proceeding modifying Decision No. 68307 pursuant to A.R.S. § 40-252.

SMO:BKB:lhbm

Originator: Brian K. Bozzo

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DOCKET NO. W-02450A-04-0837

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