

OPEN MEETING ITEM

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



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ARIZONA CORPORATION COMMISSION

ORIGINAL

Arizona Corporation Commission

DOCKETED

DATE: MAY 7, 2010
DOCKET NO.: W-01445A-05-0701
TO ALL PARTIES:

MAY - 7 2010

DOCKETED BY *MM*

Enclosed please find the recommendation of Administrative Law Judge Yvette B. Kinsey. The recommendation has been filed in the form of an Order on:

ARIZONA WATER COMPANY
(EXTENSION OF TIME DEADLINE CONTAINED
IN DECISION NO. 68919)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

MAY 17, 2010

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

MAY 26, 2010 and MAY 27, 2010

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Ernest G. Johnson
ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 KRISTIN K. MAYES, Chairman
4 GARY PIERCE
5 PAUL NEWMAN
6 SANDRA D. KENNEDY
7 BOB STUMP

8 IN THE MATTER OF THE APPLICATION OF
9 ARIZONA WATER COMPANY FOR AN
10 EXTENSION OF ITS CERTIFICATE OF
11 CONVENIENCE AND NECESSITY.

DOCKET NO. W-01445A-05-0701

DECISION NO. _____

ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 68919

12 Open Meeting
13 May 26 and 27, 2010
14 Phoenix, Arizona

15 **BY THE COMMISSION:**

16 * * * * *

17 Having considered the entire record herein and being fully advised in the premises, the
18 Commission finds, concludes, and orders that:

19 **FINDINGS OF FACT**

20 1. On October 4, 2005, Arizona Water Company ("AWC"), filed with the Arizona
21 Corporation Commission ("Commission") an application for an extension of its Certificate of
22 Convenience and Necessity ("CC&N") to provide water service within its Superstition System, in
23 Pinal County, Arizona.

24 2. On August 29, 2006, the Commission issued Decision No. 68919, approving AWC's
25 application for an extension of its CC&N and ordering AWC to meet various compliance deadlines.

26 The Decision ordered the following:

- 27 a. AWC shall file with Docket Control, as a compliance item in this docket, a
28 Notice of filing indicating AWC has submitted for Staff's review and approval, a copy
of the fully executed main extension agreements for water facilities for the extension

1 area within two years of the Decision;

2 b. AWC shall file with Docket Control, as a compliance item in this docket, a
3 copy of the Arizona Department of Environmental Quality ("ADEQ") Approval to
4 Construct for facilities needed to serve the extension area within two years of the
5 effective date of this Decision.

6 c. AWC shall file with Docket Control, as a compliance item in this docket, a
7 copy of the developer's Certificate of Assured Water Supply ("CAWS"), where
8 applicable or when required by statute within two years of the effective date of this
9 Decision.

10
11 3. On June 27, 2008, AWC filed a request for additional time to comply with the filing
12 requirements of Decision No. 68919. AWC requested an extension of time until August 29, 2010, to
13 comply with filing the above stated items. AWC's request further stated that the developer Ecco
14 Holdings, LLC ("Ecco") planned to begin development within 24 months if the market conditions did
15 not worsen.

16 4. On September 30, 2008, the Commission issued Decision No. 70527, which granted
17 AWC an extension of time until August 29, 2010, to file the MXA, ATC, and CAWS for the
18 extension area.

19 5. On January 6, 2010, AWC filed a second request for an extension of time to comply
20 with Decision No. 68919. AWC's second request states that due to the downturn in the housing
21 market and deep economic recession, the Pinal County housing market has come to a "near halt" and
22 therefore additional time is need to meet the compliance deadlines. AWC provided an article
23 discussing the economic recession and documentation showing the decline in housing permits issued
24 in Pinal County from 2006 through 2008 to support its request for an extension of time until August
25 29, 2012, to file the MXA, ATC, and CAWS for the extension area. AWC further states that the
26 outstanding compliance items are outside the Company's control and within the sole discretion of the
27 developer and at this time the conditions for obtaining the remaining compliance items are not ideal.

28 6. On March 26, 2010, the Commission's Utilities Division ("Staff") filed a

1 memorandum in response to AWC's second request for an extension of time to comply with Decision
2 No. 68919. Staff recommends approval of AWC's request for an extension of time. According to
3 Staff, Ecco, the developer, expressed a continuing desire to have AWC provide water service in the
4 extension area and Ecco verified that an extension of time is necessary due to the slow down in the
5 marketplace. Based on the information provided by AWC and Ecco, Staff recommends granting the
6 extension of time, until August 29, 2012, for AWC to file the MXA, ATC, and CAWS as set forth in
7 Decision No. 68919, but that no further extensions of time be granted in this matter.

8 7. AWC has filed a timely request for an extension of time to comply with Decision No.
9 68919. Based on the information provided by AWC and Staff, we find Staff recommendation for
10 granting the extension of time reasonable.

11 **CONCLUSIONS OF LAW**

12 1. AWC is a public service corporation within the meaning of Article XV of the Arizona
13 Constitution and A.R.S. §§40-281 and 40-282.

14 2. The Commission has jurisdiction over AWC and the subject matter described herein.

15 3. AWC's request to receive an extension of time, until August 29, 2012, to comply with
16 the requirements outlined in Decision No. 68919, is reasonable and should be granted.

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ORDER

IT IS THEREFORE ORDERED that Arizona Water Company is hereby granted an extension of time to comply with Commission Decision No. 68919, until August 29, 2012, to file for Staff's review and approval, a copy of the fully executed main extension agreements for water facilities for the extension area, the Arizona Department of Environmental Quality's Approval to Construct for facilities needed in the extension area, and a copy of the developer's Certificate of Assured Water Supply, where applicable or when required by statute.

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 _____ day of _____, 2010.

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

1 SERVICE LIST FOR: ARIZONA WATER COMPANY

2 DOCKET NOS.: W-01445A-05-0701

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