



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

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DOCKETED

JUN -3 2010

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

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

DOCKET NO. W-01445A-05-0701  
 DECISION NO. 71708

**ORDER EXTENDING TIME  
 DEADLINE CONTAINED IN  
 DECISION NO. 68919**

Open Meeting  
 May 26 and 27, 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 October 4, 2005, Arizona Water Company ("AWC"), filed with the Arizona Corporation Commission ("Commission") an application for an extension of its Certificate of Convenience and Necessity ("CC&N") to provide water service within its Superstition System, in Pinal County, Arizona.

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

The Decision ordered the following:

- a. AWC shall file with Docket Control, as a compliance item in this docket, a 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.

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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.

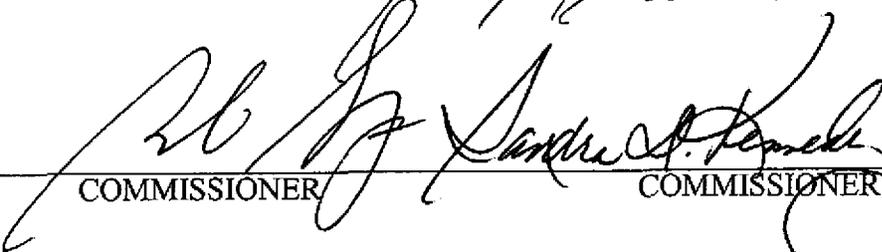
IT IS FURTHER ORDERED that this Decision shall become effective immediately.

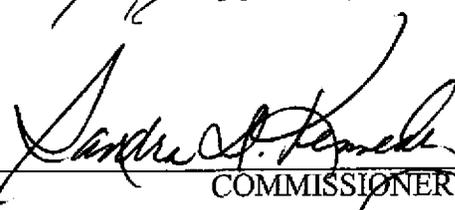
BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

  
CHAIRMAN

  
COMMISSIONER

  
COMMISSIONER

  
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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 3rd day of June 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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