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BEFORE THE ARIZONA CORPORATION C

COMMISSIONERS

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

Arizona Corporation Commission

DOCKETED

JUN -3 2010

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IN THE MATTER OF THE APPLICATION OF WATER UTILITY OF GREATER TONOPAH, INC., AN ARIZONA CORPORATION, FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY TO ENCOMPASS ALL OR PORTIONS OF SECTIONS 15, 17 AND 22, T2N, R5W, G&SRB&M, MARICOPA COUNTY, ARIZONA (AKA THE HASSAYAMPA RANCH DEVELOPMENT).

DOCKET NO. W-02450A-04-0837

DECISION NO. 71711

ORDER EXTENDING TIME DEADLINE CONTAINED IN DECISION NO. 68307

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 November 19, 2004, the Water Utility of Greater Tonopah ("Global Tonopah," "Company" or "Applicant") filed an application for an extension of its Certificate of Convenience and Necessity ("Certificate" or "CC&N") with the Arizona Corporation Commission ("Commission") to provide public water utility service in various parts of Maricopa County, Arizona.

2. On November 14, 2005, the Commission issued Decision No. 68307, which approved Global Tonopah's application to extend its CC&N to serve an area known as Hassayampa Ranch, a 2,066 acre subdivision in Maricopa County, Arizona.

1 Applicant is one of five utilities owned by West Maricopa Combine, Inc. Subsequent to Decision No. 68307, West Maricopa Combine, Inc., was acquired by Global Water Resources, LLC ("Global"). Applicant is now known as Global Tonopah.

1 3. The Commission's approval in Decision No. 68307 was conditional upon the
2 Company filing the following documentation in a timely fashion:

- 3 • that the storage and production deficiencies outlined in the Company's system
4 improvement plan submitted to the Commission's Utilities Division ("Staff")
on September 9, 2005, be corrected not later than December 31, 2006;
- 5 • that the Company file, within one year of the effective date of the Decision,
6 with the Commission's Docket Control as a compliance item, a copy of the
7 Maricopa County Environmental Services Department ("MCESD")
Certificate of Approval of Construction ("CAC") for Applicant's water
source/treatment plant and water distribution system for Hassayampa Ranch;
- 8 • that the Company file, within one year of the effective date of the Decision,
9 with the Commission's Docket Control as a compliance item, a copy of the
10 developer's Certificate of Assured Water Supply ("CAWS") issued by the
Arizona Department of Water Resources ("ADWR") where applicable or
when required by statute;
- 11 • that the Company file, by June 30, 2006, with the Commission's Docket
12 Control as a compliance item, documents showing compliance with the new
arsenic standard;
- 13 • that the Company file, by December 31, 2005, with the Commission's Docket
14 Control, proposed stand alone rates to be applied solely to the extension area.
15 In the alternative, the Company should provide documentation to demonstrate
that its existing customers will be positively impacted by the addition of the
new water facilities necessary to serve the extension area if it intends to use its
existing rates for Hassayampa Ranch; and
- 16 • that the Company file, by December 31, 2006, with the Commission's Docket
17 Control as a compliance item, a copy of the applicable Maricopa County
franchise.

18 4. On March 27, 2007, Global Tonopah filed a Motion for an Extension of Time
19 ("Motion") to comply with the conditions set forth in Decision No. 68307, and requesting that the
20 Commission grant it the option of filing a Designation of Assured Water Supply ("DAWS") instead
21 of a CAWS for the extension area.

22 5. On March 29, 2007, by Procedural Order, the Commission's Utilities Division Staff
23 ("Staff") was directed to file a response to Global Tonopah's Motion.

24 6. On April 16, 2007, Staff filed its response to the Motion, stating Global Tonopah was
25 in compliance with three of the seven requirements ordered in Decision No. 68307. According to
26 Staff, the following requirements had not been satisfied:

- 27 • that Global Tonopah file, by June 30, 2006, evidence of compliance with the
28 new arsenic standard;

- 1 • that Global Tonopah file, by November 14, 2006, a copy of the MCESD
2 Certificate of Approval of Construction ("CAC") for the water
3 source/treatment plant, and for the distribution system for Hassayampa Ranch;
- 4 • that Global Tonopah file, by November 14, 2006, a copy of the developer's
5 CAWS issued by ADWR where applicable or when required by statute; and
- 6 • that storage and production deficiencies be corrected no later than December
7 31, 2006.

8 7. On May 3, 2007, by Procedural Order, Global Tonopah was granted an extension of
9 time to comply with the following requirements as set forth below:

- 10 • to file, with the Commission's Docket Control, a plan to meet storage and
11 production deficiencies and completely correct the deficiencies by December
12 31, 2007;
- 13 • to file, by December 31, 2007, with the Commission's Docket Control,
14 evidence of compliance with the new arsenic standard;
- 15 • to file, by September 23, 2008, with the Commission's Docket Control, a copy
16 of the MCESD CAC for the water source/treatment plant, and for the
17 distribution system for Hassayampa Ranch; and
- 18 • to file, by September 23, 2008, with the Commission's Docket Control, a copy
19 of the developer's CAWS issued by the ADWR where applicable or when
20 required by statute.

21 8. On June 25, 2007, Global Tonopah docketed a Motion for Clarification reiterating its
22 request that the Commission allow it to file a DAWS in lieu of a CAWS for the extension area set
23 forth in Decision No. 68307. The motion stated that the key difference between a DAWS and a
24 CAWS is that "a DAWS is subject to on-going review and supervision by ADWR, and therefore
25 provides greater protections to future customers than a CAWS."

26 9. On April 23, 2008, Global Tonopah filed a Motion to Correct Nunc Pro Tunc the
27 Commission's May 3, 2007, Procedural Order. The motion stated that the Procedural Order granted
28 the extension of time for Global Tonopah to file a MCESD CAC, but that previous references in the
docket were for the company to file a Certificate of Approval to Construct ("ATC"). The motion
cited several references to the ATC requirement.

10 10. On April 25, 2008, by Amended Procedural Order, Global Tonopah's request to
11 correct the May 3, 2007, Procedural Order requiring Global Tonopah to file an ATC by September
12 23, 2008, was granted.

1 11. On September 12, 2008, Global Tonopah filed a second Motion to comply with
2 Decision No. 68307.

3 12. In its second Motion, Global Tonopah requested an extension of time until May 16,
4 2010, to match the compliance deadline established in Commission Decision No. 70357 (May 16,
5 2008)², which required Global Tonopah to file a CAWS for the first subdivision or a DAWS for the
6 entire extension area in that Decision within two years. Then as now, Global Tonopah had a pending
7 application with ADWR requesting a DAWS that will cover the extension areas granted in Decision
8 Nos. 68307 and 70357. Although the Company has been ordered to file a copy of the developer's
9 CAWS in Decision No. 68307, in its second Motion, the Company requested essentially that, in the
10 alternative, it be permitted to file a copy of the DAWS as ordered in Decision No. 70357.

11 13. Global Tonopah's second Motion stated that the company had obtained an Analysis of
12 Assured Water Supply ("AAWS") for Hassayampa Ranch, and that the AAWS is a key step towards
13 a CAWS or a DAWS. According to the second Motion, the AAWS showed that there is water
14 physically available to meet the projected needs of the Hassayampa Ranch subdivision. The
15 Company also attached a letter from Harvard Investments, the developers for Hassayampa Ranch,
16 which expressed a continuing desire for Global Tonopah to provide water utility service to the
17 extension area.

18 14. On October 2, 2008, Staff filed a memorandum stating Staff did not oppose Global
19 Tonopah's request for an extension of time, until May 16, 2010, to comply and recommended that
20 Global Tonopah be allowed to file a CAWS or DAWS³ for the extension area granted in Decision
21 No. 68307. Staff found that Global Tonopah has already met six of the seven conditions required in
22 Decision No. 68307. The only remaining requirement was for Global Tonopah to file a copy of the
23 developer's CAWS issued by ADWR where applicable or required by statute. Staff also
24 recommended that Global Tonopah not be granted any additional extensions of time to comply with
25 Decision No. 68307.

26
27 ² Decision No. 70357 approved a conditional Certificate for the Company to provide water service to an additional
22,217 acres of land in Maricopa County.

28 ³ Staff's recommendation with respect to the DAWS was in error since Decision No. 68307 ordered only the filing
of a copy of the developer's CAWS where applicable or when required by statute.

1 15. On January 20, 2009, the Commission issued Decision No. 70690 and found that
2 Global Tonopah had made a timely request for an extension of time to comply with Decision No.
3 68307, and authorized the Company to have an extension of time until May 16, 2010, in which to file
4 a copy of the developer's CAWS.

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

8 17. In Decision No. 70690, the Commission noted that Staff had expressed concern that
9 Global Tonopah had twice requested an extension of time to comply with Decision No. 68307 and
10 recommended that no future extensions of time be granted. In that Decision, the Commission did not
11 adopt Staff's recommendation that no future requests for extensions of time to comply with Decision
12 No. 68307 be granted. However, Decision No. 70690 put Global Tonopah on notice that any further
13 requests for extensions of time to comply had to demonstrate that extraordinary circumstances existed
14 that would warrant additional time.

15 18. On March 4, 2010, the company filed a third Motion requesting an extension of time
16 until December 31, 2012, in which to file a copy of the developer's CAWS for the following reasons:
17 the Company has made substantial progress to comply with Decision No. 68307; the delay is due to
18 ADWR's extensive review of water resources in the Lower Hassayampa Sub-Basin related to
19 Applicant's requested DAWS for its extension areas; and because the extension would match the
20 deadline approved in Decision No. 70430 (December 8, 2009), which set a deadline of December 31,
21 2012, for the remainder of Greater Tonopah's service area.

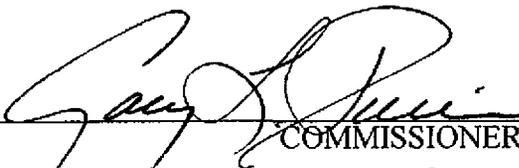
22 19. The Company further cited Commission Decision No. 70690 which previously noted
23 that the Company had met six of the seven conditions required by Decision No. 68307.

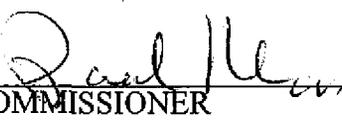
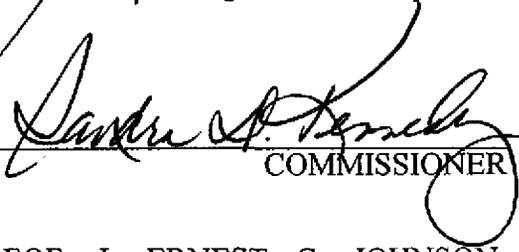
24 20. Attached to the Company's third Motion was a copy of a letter dated November 16,
25 2009, from Ms. Karen Smith, the Deputy Director of ADWR, who supports efforts such as the
26 Company's to achieve a sustainable water supply in the Lower Hassayampa Sub-Basin and supports
27 the Company's efforts to obtain a DAWS to provide "a significant opportunity to move closer to
28 sustainability by maximizing water reuse, recycling and recharge."

1 IT IS FURTHER ORDERED that Water Utility of Greater Tonopah, Inc. shall be on notice
2 that any future requests for extensions of time to comply with Decision No. 68307, shall demonstrate
3 that extraordinary circumstances exist or the request shall be denied.

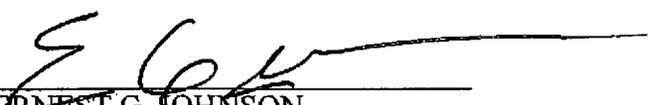
4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

6
7  CHAIRMAN  COMMISSIONER

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10  COMMISSIONER  COMMISSIONER  COMMISSIONER

12 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
13 Executive Director of the Arizona Corporation Commission,
14 have hereunto set my hand and caused the official seal of the
15 Commission to be affixed at the Capitol, in the City of Phoenix,
16 this 3rd day of June, 2010.

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18 ERNEST G. JOHNSON
19 EXECUTIVE DIRECTOR

20 DISSENT _____

21 DISSENT _____

22 MES:db

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1 SERVICE LIST FOR: WATER UTILITY OF GREATER TONOPAH, INC

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