

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

OPEN MEETING ITEM
ORIGINAL
ARIZONA CORPORATION COMMISSION

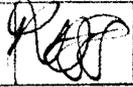


Arizona Corporation Commission
DOCKETED

NOV - 2 2010

DATE: NOVEMBER 2, 2010

DOCKET NO.: WS-20543A-07-0435

DOCKETED BY 

TO ALL PARTIES:

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

DOUBLE DIAMOND UTILITIES, INC.
(EXTENSION OF TIME DEADLINE CONTAINED
IN DECISION NO. 70352)

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:

NOVEMBER 12, 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:

NOVEMBER 22, 2010 and NOVEMBER 23, 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.


ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

DOCKET NO. WS-20543A-07-0435

DECISION NO. _____

IN THE MATTER OF THE APPLICATION
OF DOUBLE DIAMOND UTILITIES, INC.
FOR A CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER
SERVICE AND WASTEWATER SERVICE

**ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 70352**

Open Meeting
November 22 and 23, 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 July 23, 2007, Double Diamond Utilities, Inc. ("DDU" or "Double Diamond") filed with the Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience and Necessity ("CC&N") to provide water and wastewater services for a master planned community known as The Ranch at White Hills ("White Hills") in Mohave County, Arizona.

2. On May 16, 2008, the Commission issued Decision No. 70352, which approved DDU's application for CC&Ns to provide water and wastewater services to White Hills. Decision No. 70352 required DDU, among other things, to file by December 31, 2008, a performance bond or irrevocable sight draft letter of credit in the amount of \$500,000 for its water and wastewater CC&Ns, and to retain a Certified Operator at least six months before it serves its first customer or by June 30, 2009, whichever occurred first.

3. On December 17, 2008, DDU filed a Motion for Extension of Compliance Dates

1 (“Motion”) to file the performance bond or irrevocable sight draft letter of credit and retain a
2 Certified Operator; DDU’s Motion states DDU has complied with all requirements to date, which
3 includes filing its rate tariff, curtailment tariff, backflow prevention tariff, and Water Conservation
4 Plan. The Motion further states that due to a downturn in the economy the finance and credit markets
5 have tightened, which has delayed development at White Hills. DDU’s Motion further requests that
6 DDU be allowed to file the performance bond or irrevocable sight draft letter of credit at least 15
7 days prior to providing water and wastewater utility service to any customers.

8 4. On April 7, 2009, the Commission issued Decision No. 70947 granting DDU an
9 extension of time, until 30 days prior to serving its first customer or by December 31, 2011,
10 whichever come first, to procure and file proof of a performance bond or irrevocable sight draft letter
11 of credit in the amount of \$500,000, pursuant to Commission Decision No. 70352. Decision No.
12 70947 also amended the timeframe for DDU to retain a Certified Operator for its water and
13 wastewater systems to December 31, 2011 or six months before DDU serves its first customer,
14 whichever comes first.

15 5. On April 30, 2010, DDU filed a motion for an extension of time to file 1) copies of the
16 water division’s Approval to Construct for Phase 1; 2) copies of the wastewater division’s General
17 Permits for Phase 1; and 3) a copy of the Aquifer Protection Permit for the wastewater division.
18 Pursuant to Decision No. 70352, the above compliance items were due to be completed by May 16,
19 2010. DDU’s motion requests an extension of time, until December 31, 2012, to file the compliance
20 items.

21 6. DDU’s motion states that the White Hills development has been delayed due the
22 construction of the Hoover Dam bypass bridge, the three compliance items require extensive and
23 expensive engineering designs, and due to the economic downturn it is not prudent to incur such
24 expenses at this time.

25 7. On June 4, 2010, DDU filed a letter from the developer expressing a continued desire
26 to pursue development of White Hills.

27 8. On September 20, 2010, the Utilities Division (“Staff”) filed a Memorandum in
28 response to DDU’s request for an extension of time. Staff states it has no objection to DDU’s

1 request to extend the timeframes based on the downturn in the economy; the developers continuing
2 desire to pursue development; DDU's previous compliance with other requirements; and the
3 prudence of expensive engineering design at this time. Staff recommends extending the filing
4 deadlines, until December 12, 2012, for the above referenced compliance items.

5 9. Staff's recommendations are reasonable and should be adopted.

6 **CONCLUSIONS OF LAW**

7 1. Double Diamond is a public service corporation within the meaning of Article XV of
8 the Arizona Constitution and A.R.S. §§40-281 and 40-282.

9 2. The Commission has jurisdiction over Double Diamond and the subject matter to
10 extend the time for compliance as set forth in Commission Decision No. 70352.

11 3. Staff's recommendation that Double Diamond should receive an extension of time to
12 comply with Decision No. 70352, is reasonable and should be adopted.

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ORDER

IT IS THEREFORE ORDERED that Double Diamond Utilities, Inc., is hereby granted an extension of time, until December 31, 2012, to comply with Commission Decision No. 70352 by filing copies of the water division's Approval to Construct for Phase 1, copies of the wastewater division's General Permits for Phase 1, and a copy of the Aquifer Protection Permit for the wastewater division.

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: DOUBLE DIAMOND UTILITIES, INC.

2 DOCKET NO. WS-20543A-07-0435

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