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BEFORE THE ARIZONA CORPORATION CO.

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

SEP 28 2010

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

DOCKETED BY NR

IN THE MATTER OF THE APPLICATION OF
GLOBAL WATER-PICACHO COVE UTILITIES
COMPANY FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY.

DOCKET NO. SW-20494A-06-0769

IN THE MATTER OF THE APPLICATION OF
GLOBAL WATER-PICACHO COVE WATER
COMPANY FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY.

DOCKET NO. W-20495A-06-0769

DECISION NO. 71900

**ORDER EXTENDING TIME
DEADLINES CONTAINED IN
DECISION NO. 70312**

Open Meeting
September 21 and 22, 2010
Phoenix, Arizona

BY THE COMMISSION:

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. Global Water-Picacho Cove Water Company ("Picacho Water") and Global Water-Picacho Cove Utilities Company ("Picacho Utilities") are wholly owned subsidiaries of Global Water, Inc., which is itself a wholly owned subsidiary of Global Water Resources, LLC ("Global Parent").¹

2. On December 8, 2006, Picacho Water and Picacho Utilities (collectively "Picacho") filed with the Arizona Corporation Commission ("Commission") a joint application for Certificates of Convenience and Necessity ("CC&Ns") to provide water and wastewater service in two separate areas totaling approximately 1,480 acres and located approximately 3 and 4 miles east of the City of

¹ Decision No. 70312 at 3.

1 Eloy in Pinal County, Arizona ("CC&N area").

2 3. The owners of the properties in the CC&N area formally requested water and
3 wastewater service from Picacho in December 2007 and intended to develop the land primarily for
4 single-family residential purposes, with development to begin within approximately one year after the
5 Commission granted CC&Ns.²

6 4. On April 24, 2008, the Commission issued Decision No. 70312, granting Picacho
7 Water and Picacho Utilities CC&Ns to provide water and wastewater service in the CC&N area,
8 subject, *inter alia*, to the following:

- 9 a. Picacho Utilities' filing, as a compliance item in this docket, within 30 days
10 after the effective date of the Decision, a tariff containing specified wastewater
11 service rates and charges;
- 12 b. Picacho Water's filing, as a compliance item in this docket, within 30 days
13 after the effective date of the Decision, a tariff containing specified water
14 service rates and charges;
- 15 c. Picacho's filing, as a compliance item in this docket, within 3 months after the
16 effective date of the Decision, a copy of a bill or bills for both companies, in a
17 form acceptable to Staff and including specified information;³
- 18 d. Picacho's filing, as a compliance item in this docket, within 365 days after the
19 effective date of the Decision, copies of Picacho's Pinal County franchises;
- 20 e. Picacho Utilities' filing, as compliance items in this docket, within 2 years
21 after the effective date of the Decision, the following:
- 22 i. Copies of Picacho Utilities' General Permits for the collection system
23 for Phase 1 of the initial phase of the Picacho Citrus and Langley
24 Picacho Views developments, and
- 25 ii. A copy of Picacho Utilities' Aquifer Protection Permit; and
- 26 f. Picacho Water's filing, as compliance items in this docket, within 2 years after

27
28 ² Decision No. 70312 at 8, 11.

³ It does not appear that this filing has been made in this docket.

1 the effective date of the Decision, the following:

- 2 i. Copies of Picacho Water's Approval to Construct for Phase 1 of the
3 initial phase of the Picacho Citrus and Langley Picacho Views
4 developments;
- 5 ii. Either a copy of Picacho Water's Approval to Construct for an arsenic
6 treatment system or a copy of Picacho Water's ADEQ approval of an
7 arsenic blending plan; and
- 8 iii. A copy of Picacho Water's Designation of Assured Water Supply
9 ("DAWS") for the CC&N area.

10 5. On May 19, 2008, Picacho Water and Picacho Utilities filed their tariffs for water
11 utility service and wastewater utility service. On July 23, 2008, the Commission's Utilities Division
12 ("Staff") issued Notices of Compliance stating that the tariffs filed had been approved as in
13 compliance with Decision No. 70312.

14 6. On April 24, 2009, Picacho Water and Picacho Utilities filed a Notice of Filing their
15 Pinal County water and wastewater franchises, which had been granted by the Pinal County Board of
16 Supervisors on April 15, 2009.⁴

17 7. On April 23, 2010, Picacho Water and Picacho Utilities jointly filed a Motion for
18 Extension of Time, requesting that the April 24, 2010, deadline to file the items described in Findings
19 of Fact No. 4(e) and (f) be extended to October 30, 2012. Picacho explained that the extension
20 requested is similar in length to an extension granted to Picacho's sister company in Decision No.
21 71430 (December 8, 2009)⁵ and that expending resources to obtain the items required to be filed is
22 not prudent at this time because of the economic downturn and the well-publicized decline in housing
23 construction in Arizona, which have resulted in Picacho's facilities not yet being needed for the

24 ⁴ Although the Notice of Filing indicates that the franchises were being filed, the documents filed were two single-page
25 Pinal County Board of Supervisor Agenda Item documents describing each franchise's agenda item, setting forth the
26 motion made as to each, and including a witnessed approval signature of the Chairman of the Pinal County Board of
27 Supervisors. The approved franchise agreements themselves were not filed. We note that the motion as to the water
28 service franchise speaks to a Global Parent water franchise rather than a Picacho Water water franchise. It may behoove
Picacho to file the franchise agreements themselves to clarify the compliance record on these items.

⁵ Decision No. 71430 granted an extension of time requested by Hassayampa Utility Company, Inc. and Water Utility
of Greater Tonopah, Inc., extending the deadlines for various filing requirements from April 30 and May 16, 2010, to
December 31, 2012.

1 CC&N area. Picacho explained that it has continued to work on regional planning and other
2 activities in spite of the economic downturn and pointed out that Global Parent has entered into a
3 Memorandum of Understanding with the City of Eloy that includes provisions regarding regional
4 planning, water resources management, and economic development and grants Picacho a planning
5 area that includes the CC&N area. Picacho also pointed out that, in Decision No. 71238 (August 6,
6 2009), Picacho obtained a CC&N extension for an area that is to include a planned regional
7 transportation hub, which is expected to be developed before the residential areas included in the
8 original CC&N area. Finally, Picacho stated that it would be inappropriate for it to seek a DAWS
9 from ADWR when the DAWS is not yet necessary and ADWR has been subjected to dramatic
10 budget cuts.

11 8. On July 19, 2010, Staff issued a Memorandum stating that it is not unreasonable for
12 Picacho to seek an extension of time based on postponed development in the real estate market and
13 the economic downturn. Staff noted that Picacho had provided Staff with an updated request for
14 service from the developer on July 2, 2010. Staff stated that it does not object to Picacho's request
15 for an extension of the filing deadlines until October 30, 2012.

16 9. During the time since Decision No. 70312 was approved, a recession has been
17 declared in the United States,⁶ and development in Arizona has been severely impacted. It has
18 become apparent that the expectations as to the residential development that would occur in the
19 CC&N area were based on a different economic reality and were overly optimistic.

20 10. In light of the facts in this case, it is reasonable and appropriate to grant Picacho an
21 extension of time, until October 30, 2012, to file with Docket Control, as compliance items in this
22 docket, the documents described in Findings of Fact No. 4(e) and (f).

23 CONCLUSIONS OF LAW

24 1. Picacho Water and Picacho Utilities are public service corporations within the
25 meaning of Article XV of the Arizona Constitution and A.R.S. Title 40, Chapter 2.

26 2. The Commission has jurisdiction over Picacho Water and Picacho Utilities and the
27

28 ⁶ The Commission has previously taken official notice of the National Bureau of Economic Research's December 2008 Declaration that the U.S. has been in recession since December 2007. (See Decision No. 71651 (April 14, 2010).)

1 subject matter of their joint Motion for Extension of Time.

2 3. It is reasonable to extend, to October 30, 2012, the deadlines for Picacho Water and
3 Picacho Utilities to file the documents described in Findings of Fact No. 4(e) and (f).

4 4. It is not necessary for the Commission to hold an evidentiary hearing before extending
5 the deadlines for Picacho Water and Picacho Utilities to file the documents described in Findings of
6 Fact No. 4(e) and (f).

7 **ORDER**

8 IT IS THEREFORE ORDERED that the deadline for Global Water-Picacho Cove Utilities
9 Company to file the following with the Commission’s Docket Control, as compliance items in this
10 docket, as required by Decision No. 70312, is hereby extended to October 30, 2012:

- 11 1. Copies of Picacho Utilities’ General Permits for the collection system for Phase 1 of
- 12 the initial phase of the Picacho Citrus and Langley Picacho Views developments, and
- 13 2. A copy of Picacho Utilities’ Aquifer Protection Permit.

14 IT IS FURTHER ORDERED that the deadline for Global Water-Picacho Cove Water
15 Company to file the following with the Commission’s Docket Control, as compliance items in this
16 docket, as required by Decision No. 70312, is hereby extended to October 30, 2012:

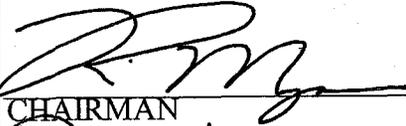
- 17 1. Copies of Picacho Water’s Approval to Construct for Phase 1 of the initial phase of
- 18 the Picacho Citrus and Langley Picacho Views developments,
- 19 2. Either a copy of Picacho Water’s Approval to Construct for an arsenic treatment
- 20 system or a copy of Picacho Water’s ADEQ approval of an arsenic blending plan, and
- 21 3. A copy of Picacho Water’s Designation of Assured Water Supply for the CC&N area.

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1 IT IS FURTHER ORDERED that all other provisions of Decision No. 70312 shall remain in
2 effect.

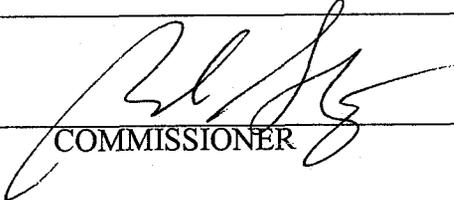
3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

5 
6 CHAIRMAN

COMMISSIONER

7 
8 COMMISSIONER


COMMISSIONER


COMMISSIONER

9
10 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
11 Executive Director of the Arizona Corporation Commission,
12 have hereunto set my hand and caused the official seal of the
13 Commission to be affixed at the Capitol, in the City of Phoenix,
14 this 28th day of September, 2010.

15 
16 ERNEST G. JOHNSON
17 EXECUTIVE DIRECTOR

18 DISSENT _____

19 DISSENT _____
20 SNH:db

1 SERVICE LIST FOR:

GLOBAL WATER-PICACHO COVE UTILITIES
COMPANY and GLOBAL WATER-PICACHO COVE
WATER COMPANY

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4 DOCKET NOS:

SW-20494A-06-0769 and W-20495A-06-0769

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