

OPEN MEETING ITEM



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



ARIZONA CORPORATION COMMISSION

Executive Director
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DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

SEP 30 2010

DATE: SEPTEMBER 30, 2010

DOCKET NO.: W-01212A-09-0189

TO ALL PARTIES:

DOCKETED BY [Signature]

Enclosed please find the recommendation of Administrative Law Judge Dwight D. Nodes. The recommendation has been filed in the form of an Order on:

VALENCIA WATER COMPANY - TOWN DIVISION AND VALENCIA WATER COMPANY - GREATER BUCKEYE DIVISION
(EXTENSION OF TIME DEADLINE CONTAINED IN DECISION NO. 71241)

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:

OCTOBER 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:

OCTOBER 19, 2010 and OCTOBER 20, 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.

[Signature]
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
9 OF VALENCIA WATER COMPANY –
10 TOWN DIVISION AND VALENCIA WATER
COMPANY – GREATER BUCKEYE
DIVISION, FOR AUTHORITY TO INCUR
LONG-TERM DEBT THROUGH THE
WATER INFRASTRUCTURE FINANCE
AUTHORITY OF ARIZONA.

DOCKET NO. W-01212A-09-0189

DECISION NO. _____

**ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 71241**

11 Open Meeting
12 October 19 and 20, 2010
13 Phoenix, Arizona

14 **BY THE COMMISSION:**

15 * * * * *

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

18 **FINDINGS OF FACT**

19 1. On August 6, 2009, the Arizona Corporation Commission (“Commission”) issued
20 Decision No. 71241, granting Valencia Water Company – Town Division and Valencia Water
21 Company – Greater Buckeye Division (“Valencia” or “Company”) authority to obtain financing from
22 the Water Infrastructure Finance Authority of Arizona (“WIFA”) in an amount not to exceed
23 \$2,562,500.¹

24 2. Valencia is a Class “B” public service corporation that provides water service to
25 approximately 6,000 customers in and around the Town of Buckeye, in Maricopa County, Arizona.

26 3. The WIFA loan proceeds are to be used to finance installation of supervisory control

27 ¹ 40 percent of the loan amount (\$1,025,000) is expected to be treated as forgivable principal pursuant to funding
28 provided under the American Recovery and Reinvestment Act of 2009 (“ARRA”). Therefore, Valencia’s repayable
indebtedness will be reduced to \$1,537,500.

1 and data acquisition ("SCADA") equipment for Valencia's Town and Greater Buckeye divisions, and
2 for installation of well equipment at the Company's existing Evergreen Well No. 2 site.

3 4. Among other things, Decision No. 71241 required Valencia to file as compliance
4 items in this docket, by no later than May 31, 2010, "copies of the Certificates of Approval of
5 Construction issued by ADEQ for equipping the existing Evergreen Well No. 2 (ADWR Well No.
6 55-203650)," and "copies of the WIFA Completion Certification for the Valencia SCADA project."
7 (Decision No. 71241, at 8.)

8 5. On May 25, 2010, Valencia filed a Motion for Extension of Time. In its Motion, the
9 Company stated that the deadlines set forth in Decision No. 71241 were based on the assumption that
10 the WIFA loan would close in July 2009. However, according to Valencia, several months of
11 negotiations with WIFA were required to reach agreement on the terms of the loan. The Company
12 indicated that the loans have been closed and funds are being disbursed for both projects as work is
13 completed, and it is anticipated that the projects will be finished by December 2010. Valencia
14 requested that the May 31, 2010, deadline for making the compliance filings be extended until
15 February 28, 2011.

16 6. On September 23, 2010, the Commission's Utilities Division ("Staff") filed a
17 Memorandum stating that it does not object to the requested compliance filing extension. According
18 to Staff, it contacted Valencia's counsel on September 15, 2010, and Staff was informed through
19 correspondence received from the Company on September 21, 2010, that the projects' estimated
20 completion dates remain December 2010. Valencia's counsel requested that the Company be given
21 an additional month to submit the required documentation, until March 31, 2011. In its
22 Memorandum, Staff recommended extending the filing deadlines to March 31, 2011, as requested by
23 the Company.

24 CONCLUSIONS OF LAW

25 1. Valencia is a public service corporation with the meaning of Article XV of the
26 Arizona Constitution and A.R.S. §§ 40-281, 40-282 and 40-285.
27
28

1 2. The Commission has jurisdiction over Valencia, and the subject matter of the request
2 for an extension of time to comply with Commission Decision No. 71241.

3 3. Valencia's request for an extension of time to comply with Decision No. 71241 is in
4 the public interest.

5 4. Staff's recommendation that Valencia receive an extension of time, until March 31,
6 2011, to file documentation in compliance with Decision No. 71241 is reasonable and should be
7 adopted.

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ORDER

IT IS THEREFORE ORDERED that Valencia Water Company – Town Division and Valencia Water Company – Greater Buckeye Division are hereby granted an extension of time, until March 31, 2011, to file as compliance items in this docket, copies of the Certificates of Approval of Construction issued by ADEQ for equipping the existing Evergreen Well No. 2 (ADWR Well No. 55-203650), and copies of the WIFA Completion Certification for the Valencia SCADA project, in accordance with the requirements described in Decision No. 71241.

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 _____

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SERVICE LIST FOR:

VALENCIA WATER COMPANY – TOWN DIVISION
and VALENCIA WATER COMPANY – GREATER
BUCKEYE DIVISION

DOCKET NO.:

W-01212A-09-0189

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