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BEFORE THE ARIZONA CORPORATION COMMISSION
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COMMISSIONERS

2010 OCT -5 A 9:18

Arizona Corporation Commission

DOCKETED

OCT 5 2010

- Kristin K. Mayes - Chairman
- Gary Pierce
- Paul Newman
- Sandra D. Kennedy
- Bob Stump

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DOCKETED BY	
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IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN ARIZONA
CORPORATION, TO EXTEND ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY AT CASA GRANDE, PINAL
COUNTY, ARIZONA

DOCKET NO. W-01445A-06-0059
REQUEST FOR ADDITIONAL TIME
FOR COMPLIANCE FILING

Decision No. 69163, which was entered in this docket on December 5, 2006 (the "Decision"), directed Arizona Water Company (the "Company"), the applicant in this docket, to file certain items as a compliance filing within certain time frames provided in the Decision.

The extension area approved in the Decision, a map of which is attached hereto as Exhibit A, was divided into five (5) parcels. The Company has previously filed all of the compliance items for Parcels 1 and 3, in compliance with the Decision, in the following manner:

1. On February 3, 2006, in Docket No. W-01445A-04-0773, the Company filed copies of a main extension agreement and a certificate of approval to construct for Parcel 1.
2. On December 18, 2006, in Docket No. W-01445A-04-0773, the Company filed the developer's certificate of assured water supply issued by the Arizona Department of Water Resources for Parcel 1.

1 3. On February 12, 2007, in Docket No. W-01445A-06-0059, the Company filed, with
2 respect to Parcel 3, copies of a main extension agreement, a certificate of approval
3 to construct, and a certificate of assured water supply.
4

5 With respect to the Decision's compliance requirements for Parcels 2, 4 and 5, the
6 Company is now requesting an extension of the current compliance deadline, December 5, 2010
7 (so extended by Decision No. 70689, entered on January 20, 2009), for an additional two (2) year
8 period, until December 5, 2012. In support of its request, the Company respectfully further
9 provides as follows:
10

11 1. That, as detailed in numbered paragraphs 1-3, above, the Company has already
12 substantially complied with the Decision compliance requirements of the Decision.
13

14 2. That the Company is currently serving 592 customers in the expansion area
15 approved by the Decision.
16

17 3. That it is attaching hereto as Exhibits B through D, inclusively, letters from
18 property owners or property owner representatives of/for real property located in
19 the expansion area, documenting their continuing need and desire to be able to
20 develop their property by obtaining water service from the Company.
21

22 4. That on September 13, 2010, the Company filed an application for an additional
23 approval to construct for the construction of facilities to serve the expansion area
24 approved in Decision No. 69163, this one, for facilities to serve Parcel 5. The
25 Certificate of Approval to Construct, a copy of which is attached hereto as Exhibit
26 E, was approved on September 21, 2010.
27
28

1 5. The Department of Water Resources has approved (and a copy is attached hereto as
2 Exhibit F) a physical availability demonstration ("PAD") for its Pinal Valley
3 System, which includes the Casa Grande system, in which Parcels 1-5, inclusively,
4 are located. While the PAD is not a Certificate of Assured Water Supply, it is a
5 precursor to, and a necessary requirement for obtaining a certificate and, as noted
6 above, certificates have already been obtained for Parcels 1 and 3. Therefore, the
7 Company submits that the PAD, and ADWR's approval of it, constitutes substantial
8 compliance with the Decision's requirement of this post-decision condition,
9 particularly in view of the other matters presented herein in support of the
10 Company's request.

11
12 6. As the Commission Staff observed in its response to a motion filed by a developer
13 in another water utility's request for additional time approved by the Commission in
14 Docket No. W-01732A-05-0532 (see Finding of Fact No. 14 on page 3 of Decision
15 No. 71861 docketed September 1, 2010, Staff response filed on May 8, 2009), "the
16 downturn in the economy has put a damper on much of the development in this
17 state." In addition, the continuing economic downturn in Arizona was considered by
18 the Commission in its approval of new rates for the Company on August 25, 2010,
19 in Decision No. 71845. This economic downturn is a fact which did not exist when
20 the Decision was entered and one over which the Company (and many other water
21 and sewer utilities who have compliance obligations and have had to request CCN
22 compliance extension deadlines) and the Commission obviously have no control.
23 The Company submits that this economic reality is a very important determinant in
24 the Commission's consideration of the Company's request. Furthermore, the
25 continued existence of the Company's CCN for the extension area supports the now
26 improving development market; conversely, the withdrawal of the CCN would be
27 harmful to the development recovery. Indeed, the property owner letters attached to
28

1 Original and thirteen (13) copies of the foregoing filed this 5th day of October 2010 with:

2 Docket Control Division
3 Arizona Corporation Commission
4 1200 West Washington Street
Phoenix, Arizona 85007

5 A copy of the foregoing was hand delivered this 5th day of October 2010 to:

6
7 Janice Alward, Chief Counsel
8 Legal Division
9 Arizona Corporation Commission
10 1200 West Washington Street
Phoenix, Arizona 85007

11 Ernest G. Johnson, Director
12 Utilities Division
13 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

14 Brian Bozzo
15 Compliance Director
16 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

17
18
19 By: 
20
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EXHIBIT A

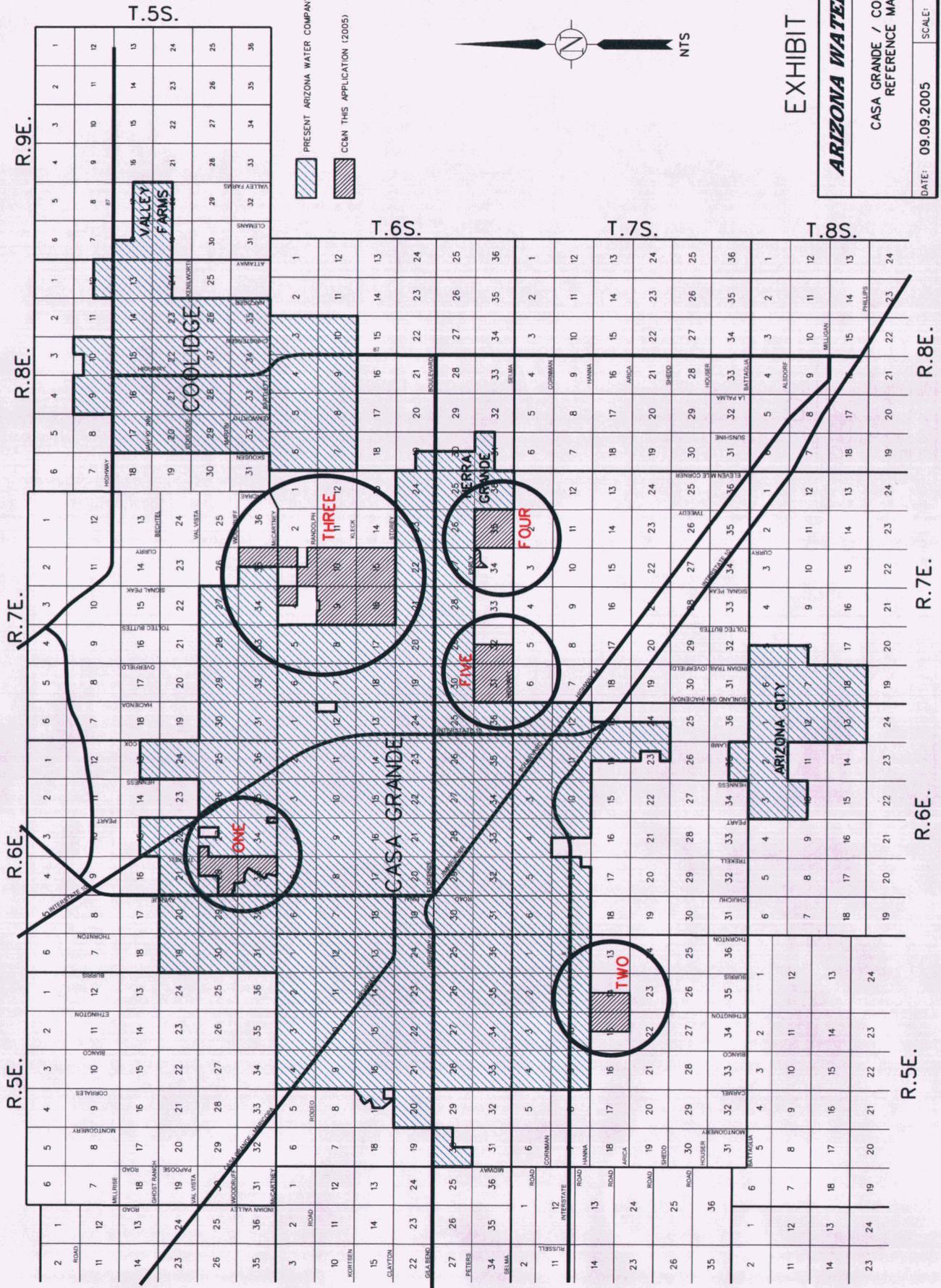


EXHIBIT A

ARIZONA WATER COMPANY

CASA GRANDE / COOLIDGE
REFERENCE MAP

DATE: 09.09.2005 SCALE: NONE

EXHIBIT B

5 Casa Grande Land, LLC
62 1st Street, 4th Floor
San Francisco, CA 94105

Date: 3/12/2010

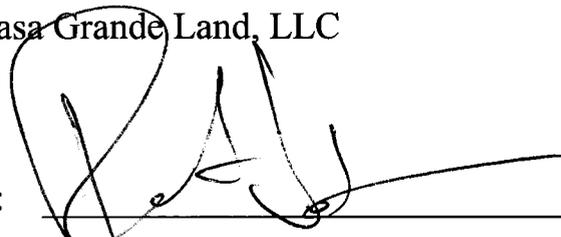
Arizona Water Company
Attn: Robert W. Geake
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Dear Mr. Geake:

5 Casa Grande Land, LLC is following up with you regarding Pinal County Assessor's Parcel No(s): 401-01-074,^I 401-01-076,^I 401-01-077,^{III} 401-01-078,^{IV} and 401-18-002b which 5 Casa Grande Land owns. 5 Casa Grande Land still needs and desires to receive water service from Arizona Water Company to serve these parcels. We hope that the market will improve so that we can begin development within the next two (2) years.

Sincerely,

5 Casa Grande Land, LLC

BY: 

ITS: VP of Manager

EXHIBIT C

Lonesome Valley Farms Ltd Partnership

1800 W. Hwy 287
Casa Grande, AZ 85294

Date: 3-30-2010

Arizona Water Company
Attn: Robert W. Geake
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Dear Mr. Geake:

Lonesome Valley Farms Partnership is following up with you regarding Pinal County Assessor's Parcel No. 401-19-001 which Lonesome Valley Farms Partnership owns. Lonesome Valley Farms still needs and desires to receive water service from Arizona Water Company to serve this parcel. We hope that the market will improve so that we can begin development within the next two (2) years.

Sincerely,

Lonesome Valley Farms Ltd. Partnership

BY: Alia Gail Roberts
ITS: President / owner

EXHIBIT D

Traviano Partners, LLC
12340 Saratoga Sunnyvale Road, Suite 10
Saratoga, CA 95070

Date: 3/9/10

Arizona Water Company
Attn: Robert W. Geake
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Dear Mr. Geake:

Traviano Partners, LLC is following up with you regarding Pinal County Assessor's Parcel No. 511-47-001-A and 511-47-001-G which Traviano Partners owns. Traviano Partners still needs and desires to receive water service from Arizona Water Company to serve these parcels. We hope that the market will improve so that we can begin development within the next two (2) years.

Sincerely,

Traviano Partners, LLC

BY: [Signature]
ITS: pres.





**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF APPROVAL TO CONSTRUCT
WATER FACILITIES**

Page 1 Of 2

ADEQ File No: 20100188	LTF No: 53173
System Name: Arizona Water Company	System Number: 11-009
Project Owner: Arizona Water Company	
Address: P O Box 29006, Phoenix , AZ 85038	
Project Location: Casa Grande	County : Pinal
Description: INSTALLATION OF 1,000 LF OF 12-INCH DIP AND RELATED FITTINGS LOCATED ON HACIENDA ROAD TO SERVE EAGLE MEADOWS LOCATED IN CASA GRANDE/PINAL COUNTY.	

Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 5 continued on page 2 through 2

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional Office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin.Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by: DB11

By: Janak K. Desai 9/21/2010
 Janak K. Desai, P.E. Unit Manager Date
 Engineering Review Section
 Water Quality Division

cc: File No : 20100188
 Regional Office: Central
 Owner: Arizona Water Company
 County Health Department: Pinal
 Engineer: Arizona Water Company
 Planning and Zoning/Az Corp. Commission
 Engineering Review Database - Etr021

APPROVAL TO CONSTRUCT
Waterline Extension
ADEQ FILE No. 20100188
PAGE 2 OF 2: PROVISIONS CONTINUED

5. The Arizona Department of Environmental Quality's review of this application was subject to the requirements of the licensing time frames ("LTF") statute under Arizona Revised Statutes ("A.R.S.") § 41-1072 through § 41-1079 and the LTF rules under Arizona Administrative Code ("A.A.C.") R18-1-501 through R18-1-525. This Notice is being issued within the overall time frame for your application.

ADEQ hereby approves your application for Approve to Construct Waterline Extension under A.R.S. § 49-351. Your copy is enclosed.

This decision is an appealable agency action under A.R.S. § 41-1092. You have a right to request a hearing and file an appeal under A.R.S. § 41-1092.03(B). You must file a written Request for Hearing or Notice of Appeal within **30 days** of your receipt of this Notice. A Request for Hearing or Notice of Appeal is filed when it is received by ADEQ's Hearing Administrator as follows:

Office of Administrative Counsel
Arizona Department of Environmental Quality
1110 W. Washington Street
Phoenix, AZ 85007

The Request for Hearing or Notice of Appeal shall identify the party, the party's address, the agency and the action being appealed and shall contain a concise statement of the reasons for the appeal. Upon proper filing of a Request for Hearing or Notice of Appeal, ADEQ will serve a Notice of Hearing on all parties to the appeal. If you file a timely Request for Hearing or Notice of Appeal you have a right to request an informal settlement conference with ADEQ under A.R.S. § 41-1092.06. This request must be made in writing no later than **20 days** before a scheduled hearing and must be filed with the Hearing Administrator at the above address.

Please contact Derek Bresee at 602-771-4510 if you have questions regarding this Notice or the Certificate of Approved to Construct.

EXHIBIT F

JANICE K. BREWER

Governor



HERBERT R. GUENTHER

Director

ARIZONA DEPARTMENT OF WATER RESOURCES

3550 North Central Avenue, Second Floor
PHOENIX, ARIZONA 85012-2105
(602) 771-8500

Via Certified Mail

December 24, 2009

Mr. William Garfield, President
Arizona Water Company
3805 North Black Canyon Highway
Phoenix, Arizona 85015

**RE: Arizona Water Company Pinal Valley Water Service Area
Pinal County, Arizona (Pinal AMA)
Application for a Physical Availability Determination
ADWR #51-700444.0000**

The Department has completed its review of your application for a Physical Availability Determination for Arizona Water Company Pinal Valley Service Area. The Department received the application on November 15, 2007. The study area locations are within Township 4 South, Range 8 East, within portion of Section 36; Township 4 South, Range 9 East, Sections 31, 32, 33; Township 5 South, Range 5 East, and portions of Sections 13, 14, 15, 16, 21 to 28 inclusive, 33, 34, 35, 36; Township 5 South, Range 6 East, Sections 13 to 36; Township 5 South, Range 7 East, Sections 12, 13, 14, 23 to 36; Township 5 South, Range 8 East, Sections 1, 2, portions of 3, 5, 6, 7 to 36 inclusive; Township 5 South, Range 9 East, Sections 4 to 10 inclusive, 15 to 22 inclusive, 27 to 36 inclusive; Township 5 South, Range 10 East, Sections 31, 32 & 33; Township 6 South, Range 3 East, Sections 10 to 16 inclusive, 21 to 28 inclusive, 33, 34, 35 & 36; Township 6 South, Range 4 East, Sections 16 to 21 inclusive, 28 to 33 inclusive portion of Sec. 36; Township 6 South, Range 5 East, Sections 1, 2, 3, 4, portion of Sec. 5, 9 to 16 inclusive, east half of Sec. 17 and 20 to 36 inclusive; Township 6 South, Range 6 East, Sections 1 to 36; Township 6 South, Range 7 East, Sections 1 to 36 inclusive; Township 6 South, Range 8 East, Sections 1 to 24 inclusive, 29, 30, 31 & 32; Township 6 South, Range 9 East, Sections 1 to 24 inclusive; Township 6 South, Range 10 East, Sections 5, 6, 7, 8, 17, 18, 19 & 20; Township 7 South, Range 3 East, Sections 1, 2, 3, 10 to 15 inclusive, 22 to 27 inclusive, 34, 35 & 36; Township 7 South, Range 4 East, Sections 1 to 36 inclusive; Township 7 South, Range 5 East, Sections 1 to 24; Township 7 South, Range 6 East, Sections 1 to 36 inclusive; Township 7 South, Range 7 East, Sections 1 to 7 inclusive, north half of Sections 8, 18, 19, 30, 21 & 32; Township 7 South, Range 8 East, Sections 5 & 6; Township 8 South, Range 6 East, Sections 1, 2, 3, 4, 9 to 16 inclusive, 21, 22, 23 & 24; Township 8 South, Range 7 East, Sections 4 to 9 inclusive, 17, 18, 19 & 20 and GSR B&M in Pinal County, Arizona.

In accordance with A.A.C. R12-15-702(D), the Department has determined that a minimum of 98,841 acre-feet per year of groundwater is physically available for 100 years under A.A.C. R12-15-716(B) for assured water supply purposes in the study area. Although you requested a volume of 103,485 acre-feet, after a review of the hydrologic study and all issued assured water supply determinations in the study area, the Department has concluded that 98,841 acre feet is physically available.

EXHIBIT F

Arizona Water Company Pinal Valley PAD
December 24, 2009
Page 2 of 2

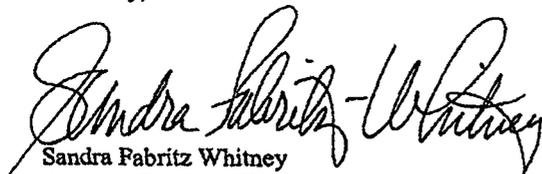
With regard to water quality for the purpose of A.A.C. R12-15-719(A), the provider you select must be regulated by the Arizona Department of Environmental Quality. With regard to water quality for the purpose of A.A.C. R12-15-719(B), the study area is not located within one mile of any known WQARF or Superfund site.

The results of the Department's review fulfill the requirements of R12-15-702(C) and may be cited in applications for determinations of assured water supply. Those applications have certain additional requirements based on the assured water supply criteria referenced in A.R.S. § 45-576 and A.A.C. R12-15-701, et seq. For further information on those requirements, please contact the Office of Assured and Adequate Water Supply at (602) 771-8599.

As with all Physical Availability Determinations issued by the Department, changes in conditions or the accuracy of assumptions and information used in demonstrating physical availability may affect the validity of this determination. Changes in the number or locations of wells may impact applicability of this determination to future applications for determinations of assured water supply.

If you have any questions regarding this Physical Availability Determination, please contact the Office of Assured & Adequate Water Supply at (602) 771-8599.

Sincerely,



Sandra Fabritz Whitney
Assistant Director, Water Management

Via electronic mail:

cc: Steve Corell, scorell@clearcreekassociates.com
Clear Creek Associates

Steve Olea, solea@azcc.gov
Arizona Corporation Commission

Linda Taunt, taunt.linda@azdeq.gov
Arizona Department of Environmental Quality