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MEMORANDUM
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TO: Docket Control Center 2011 JAN 28 P 2: 26

FROM: Steven M. Olea
Director
Utilities Division
AZ CORP COMMISSION
DOCKET CONTROL

DATE: January 27, 2011

RE: WILHOIT WATER COMPANY, INC. – THUNDERBIRD MEADOWS SYSTEM
REQUEST FOR EXTENSION OF TIME OF COMPLIANCE ITEM (DOCKET
NOS. W-02065A-07-0306, W-02065A-07-0307, W-02065A-07-0312, AND
W-02065A-08-0138)

In Decision No. 71234, dated August 6, 2009, the Arizona Corporation Commission (“Commission”) approved the application of Wilhoit Water Company, Inc. – Thunderbird Meadows System (“Wilhoit – Thunderbird Meadows” or “Company”) for a permanent rate increase and financing.

As part of Decision No. 71234, the Commission ordered that Wilhoit – Thunderbird Meadows comply with the recommendations in Findings of Fact No. 43. Item M in Finding of Fact No. 43 orders that Wilhoit – Thunderbird Meadows:

“...monitor its system and submit the gallons pumped and sold to determine the non-account water for 1 full year. The results of this monitoring and reporting shall be filed with the Commission’s Docket Control, as a compliance item in this docket, within 13 months of the effective date of the Decision in this proceeding.”

Based on the 13 month timeframe and the August 6, 2009 date of Decision No. 71234, the original due date for compliance with this requirement was on or about September 6, 2010.

On October 26, 2010, Wilhoit – Thunderbird Meadows Arizona Water docketed a motion with the Commission seeking to extend the above September 6, 2010 due date until February 28, 2011. The application simply states that the Company does not have the well meter readings necessary to comply.

On January 11, 2011, Staff contacted Mr. Jim West, Company consultant, to discuss the Company’s request for extension of time on gallons pumped, gallons sold / non-account water report. Mr. West confirmed that the Company does not have the early well meter readings prior to January 2010 but does expect to have the information for 12 full months in order to meet the proposed extension date of February 28, 2011.

Decision No. 71234 required the Company to “monitor its system” so it could submit the gallons pumped and sold necessary to determine the level of non-account water. This required the Company to have previously maintained all of the meter readings necessary to meet that goal. As discussed above, the Company found that it did not have certain well meter readings prior to January 2010. As a result, the Company has admitted that it cannot comply until February 28, 2011. Staff concludes that an oversight occurred, whereby the Company thought they had the necessary information, but did not. The Company clearly cannot comply without 12 consecutive months of information. This will not occur until January 2011, in time for the Company to meet the proposed February 28, 2011 filing. Therefore, given the unavailable information, Staff finds the delay to be unavoidable.

As such, Staff does not object to the Company proposal for extension of time until February 28, 2011, for the monitoring and ultimate provision of the required report. Based on the above, Staff recommends that the Commission extend the due dates for the Wilhoit – Thunderbird Meadows gallons pumped and gallons sold / non-account water report until February 28, 2011. According to the Company, this should provide sufficient time to complete the necessary monitoring and reporting for the Company to comply at that time. Staff recommends that no further extensions be granted.

SMO:BKB:lh

Originator: Brian K. Bozzo

SERVICE LIST FOR:
DOCKET NOS.

WILHOIT WATER COMPANY, INC.
W-02065A-07-0306, W-02065A-07-0307, W-2065A-07-0312 and
W-02065A-08-0138

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