

OPEN MEETING ITEM



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COMMISSIONERS
GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ORIGINAL



Executive Director
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ARIZONA CORPORATION COMMISSION

2011 MAR 14 A 9:39

DATE: MARCH 14, 2011
DOCKET NO.: W-01445A-06-0059

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DOCKETED

MAR 14 2011

TO ALL PARTIES:

DOCKETED BY

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

ARIZONA WATER COMPANY
(EXTENSION OF TIME DEADLINE CONTAINED
IN DECISION NOS. 69163 AND 70689)

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:

MARCH 23, 2011

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:

MARCH 29, 2011 and MARCH 30, 2011

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

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 GARY PIERCE- Chairman
4 BOB STUMP
5 SANDRA D. KENNEDY
6 PAUL NEWMAN
7 BRENDA BURNS

8 IN THE MATTER OF THE APPLICATION
9 OF ARIZONA WATER COMPANY FOR AN
10 EXTENSION OF ITS CERTIFICATE OF
11 CONVENIENCE AND NECESSITY AT
12 CASA GRANDE IN PINAL COUNTY.

DOCKET NO. W-01445A-06-0059

DECISION NO. _____

ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NOS. 69163 and 70689

13 Open Meeting
14 March 29 and 30, 2011
15 Phoenix, Arizona

16 **BY THE COMMISSION:**

17 * * * * *

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

20 **FINDINGS OF FACT**

21 On February 1, 2006, Arizona Water Company ("AWC") or "Applicant") filed with the
22 Arizona Corporation Commission ("Commission") an application for an extension of its Certificate
23 of Convenience and Necessity ("Certificate" or "CC&N") for its Casa Grande System in Pinal
24 County, Arizona.

25 2. On December 5, 2006, the Commission issued Decision No. 69163 approving the
26 application of AWC for an extension of its CC&N to include five separate parcels, referred to as
27 Parcels 1, 2, 3, 4, and 5. Decision No. 69163 ordered AWC to file the following compliance items:

- 28 • "...a copy of one Approval to Construct from the Arizona Department of Environmental Quality for the extension facilities within two years of the effective date of this Decision for each of the five parcels approved by this Decision..."
- "...a copy of one developer's Certificate of Assured Water Supply, where applicable or when required by statute within two years of the effective date of this Decision for each of the five parcels approved by this Decision..."

1 3. On October 8, 2008, AWC filed a Request for Additional Time for Compliance Filing
2 seeking an extension of time, until December 5, 2010, to file the required compliance items for
3 Parcels 2, 4, and 5 in the extension area approved in the Decision. AWC had previously filed all of
4 the compliance items for Parcels 1 and 3.¹

5 4. On January 20, 2009, in Decision No. 70689, the Commission granted AWC's request
6 for an extension of time to comply, until December 5, 2010, to file a copy of one Approval to
7 Construct ("ATC") and a copy of one developer's Certificate of Assured Water Supply ("CAWS")
8 for each of Parcels 2, 4, and 5.

9 5. On October 5, 2010, AWC docketed a second Request for Additional Time for
10 Compliance Filing ("Request"). AWC's Request seeks to extend the compliance deadline, until
11 December 5, 2012, to file a copy of one ATC and a copy of one developer's CAWS for each of
12 Parcels 2, 4, and 5. In support of its Request, AWC states that:

13 a. The Company has achieved substantial compliance with items set
14 forth in Decision No. 69163;

15 b. AWC is currently serving 592 customers in the extension area;

16 c. There is a continuing need for water service in the extension area;²

17 d. On September 21, 2010, an ATC for water facilities needed to
18 serve Parcel 5 was received;

19 e. The Department of Water Resources has approved a physical
20 availability demonstration ("PAD"), which AWC states is a precursor
21 to a CAWS, for AWC's Pinal Valley System, which includes Parcels 1-5;
22 and

23 f. The country's economic climate has significantly slowed down
24 development in the extension area and withdrawal of the CC&N could be

25 ¹ On February 3, 2006, AWC filed copies of main extension agreements and Certificates of Approval to Construct for
26 Parcel 1. On December 18, 2006, AWC filed the developer's Certificate of Assured Water Supply issued by the Arizona
27 Department of Water Resources for Parcel 1. Both the ATC and CAWS for Parcel 1 were filed in Docket No. W-
01445A-04-0773. Further, on February 12, 2007, AWC filed copies of a main extension agreement, an ATC, and CAWS
for Parcel 3, in this docket.

28 ² AWC submitted letters from developers for each of Parcels 2, 4, and 5, expressing a continuing desire for AWC to
provide water service to the extension area.

1 harmful to the development recovery.

2 6. On January 20, 2011, Staff filed a memorandum stating that Staff does not object to
3 AWC's request for an extension of time, until December 5, 2012, for the provision of obtaining an
4 ATC and a copy of one developer's CAWS for each of Parcels 2, 4, and 5 and as set forth in Decision
5 No. 69163. Staff also recommends that no further extensions be granted in this matter.

6 7. Although we do not believe it is necessary, at this time, to adopt Staff's
7 recommendation that no further requests for extensions of time to comply with Decision No. 69163
8 be granted, we will put AWC on notice that any future requests for extensions of time to comply must
9 demonstrate that extraordinary circumstances exist that warrant granting additional time.

10 **CONCLUSIONS OF LAW**

11 1. Arizona Water Company is a public service corporation within the meaning of Article
12 XV of the Arizona Constitution and A.R.S. §§40-281 and 40-282.

13 2. The Commission has jurisdiction over Arizona Water Company and the subject matter
14 of the request for additional time to comply with Commission Decision No. 69163.

15 3. Staff's recommendation that Arizona Water Company receive an extension of time to
16 comply, until December 5, 2012, to file a copy of one Approval to Construct and a copy of one
17 developer's Certificate of Assured Water Supply for each of Parcels 2, 4, and 5, is reasonable and
18 should be adopted.

19 **ORDER**

20 IT IS THEREFORE ORDERED that Arizona Water Company's request for an extension of
21 time, until December 5, 2012, to file a copy of one Approval to Construct for each of Parcels 2, 4,
22 and 5 and a copy of one developer's Certificate of Assured Water Supply for each of Parcels 2, 4, and
23 5, as set forth in Decision No. 69163 and subsequently extended in Commission Decision No. 70689,
24 is hereby granted.

25 ...
26 ...
27 ...
28 ...

1 IT IS FURTHER ORDERED that no further extension to file the aforementioned
2 documentation shall be granted absent extraordinary circumstances.

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

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
5
6

7 CHAIRMAN _____ COMMISSIONER

8
9 COMMISSIONER _____ COMMISSIONER _____ COMMISSIONER
10

11 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
12 Executive Director of the Arizona Corporation Commission,
13 have hereunto set my hand and caused the official seal of the
14 Commission to be affixed at the Capitol, in the City of
15 Phoenix, this _____ day of _____, 2011.

16 _____
17 ERNEST G. JOHNSON
18 EXECUTIVE DIRECTOR

19 DISSENT _____

20 DISSENT _____

21 YBK:db

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1 SERVICE LIST FOR: ARIZONA WATER COMPANY

2 DOCKET NO.: W-01445A-06-0059

3

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