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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

MAY - 4 2011

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

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF GRANITE MOUNTAIN WATER COMPANY, INC. FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02467A-09-0333

IN THE MATTER OF THE APPLICATION OF GRANITE MOUNTAIN WATER COMPANY, INC. FOR APPROVAL OF FINANCINGS.

DOCKET NO. W-02467A-09-0334

DECISION NO. 72294

ORDER EXTENDING TIME DEADLINES CONTAINED IN DECISION NO. 71869

Open Meeting
April 27 and 28, 2011
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. Granite Mountain Water Company, Inc. ("Granite Mountain") is a Class D water utility providing service to approximately 101 customers in a service area located approximately three miles north of Prescott, in Yavapai County, pursuant to a Certificate of Convenience and Necessity ("CC&N") granted in Decision No. 55395 (January 28, 1987) and subsequently extended.

2. In Decision No. 71869 (September 1, 2010), issued in this docket, the Commission ordered Granite Mountain to address its inadequate storage capacity issue by completing one of the following within 18 months after the effective date of the Decision: (1) drill a replacement well to replace existing Well No. 5 (ADWR #55-622083), or (2) construct and install a 110,000-gallon storage tank. The Commission further ordered Granite Mountain, if it chose to address the

1 inadequate storage capacity issue through drilling a replacement well, to file the following with the
2 Commission's Docket Control, as compliance items in this docket, within the following timeframes:
3 (1) within six months after the effective date of the Decision (by March 1, 2011), copies of the
4 Approval to Construct ("ATC") for the replacement well; and (2) within 18 months after the effective
5 date of the Decision (by March 1, 2012), copies of the Approval of Construction ("AOC") for the
6 replacement well.

7 3. On February 23, 2011, the Commission's Utilities Division Compliance Section
8 ("Staff") received a letter¹ from Granite Mountain requesting that the deadline for Granite Mountain
9 to drill a replacement well to replace its existing Well No. 5 be extended. Granite Mountain did not
10 propose a new deadline or expressly request extension of the compliance filing deadlines for the ATC
11 and AOC for the replacement well. Granite Mountain stated in the letter that it had received approval
12 to replace the well from the Arizona Department of Water Resources ("ADWR") and that it had
13 applied to the Arizona Department of Environmental Quality ("ADEQ") for an ATC for the
14 replacement well and was awaiting ADEQ's response. Granite Mountain included with its letter a
15 copy of an ADEQ letter, dated February 16, 2011, acknowledging receipt of project information for
16 replacement of Well No. 5.

17 4. On March 18, 2011, Staff issued a Memorandum stating that Staff had contacted
18 Granite Mountain to discuss its requested extension and that Granite Mountain had proposed that
19 both the ATC and AOC filing requirements be extended six months, to September 1, 2011, and
20 September 1, 2012, respectively. Staff explained that Granite Mountain had been required to
21 establish easements with Yavapai County and to gain permitting approval from ADWR before it
22 applied to ADEQ for the ATC for the replacement well. Staff stated that Staff does not object to
23 Granite Mountain's proposed extensions of time to make the compliance filings of the ATC and AOC
24 for the replacement well for Well No. 5 and recommended that the compliance filing deadlines be
25 extended as requested by Granite Mountain.

26 5. Because Granite Mountain has taken the preliminary steps necessary to drill the
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28 ¹ This letter was docketed by Staff on March 18, 2011, as it had not been docketed by Granite Mountain.

1 replacement well for Well No. 5, has applied for an ATC for the replacement well, and has requested
 2 only a six-month extension of the compliance filing deadlines for the ATC and AOC for the
 3 replacement well, we find that it is reasonable and appropriate and in the public interest to grant
 4 Granite Mountain the compliance filing deadline extensions requested, as recommended by Staff. In
 5 addition, we find that it is reasonable and appropriate and in the public interest to extend the separate
 6 18-month deadline for Granite Mountain to address its inadequate storage capacity issue by either
 7 drilling a replacement well to replace its existing Well No. 5 or constructing and installing a 110,000-
 8 gallon storage tank.

CONCLUSIONS OF LAW

10 1. Granite Mountain Water Company, Inc. is a public service corporation within the
 11 meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-252, 40-281, and 40-282.

12 2. The Commission has jurisdiction over Granite Mountain Water Company, Inc. and the
 13 subject matter of Granite Mountain Water Company, Inc.'s extension request filed herein.

14 3. Staff's recommendation to extend the deadlines in Decision No. 71869 for Granite
 15 Mountain Water Company, Inc. to file copies of the ATC and AOC for the replacement well for Well
 16 No. 5 is reasonable and appropriate and in the public interest and should be followed.

17 4. In addition, it is reasonable and appropriate and in the public interest to extend
 18 correspondingly Granite Mountain Water Company, Inc.'s 18-month deadline to address its
 19 inadequate storage capacity issue by either drilling a replacement well to replace its existing Well No.
 20 5 or constructing and installing a 110,000-gallon storage tank, as required under Decision No. 71869.

ORDER

22 IT IS THEREFORE ORDERED that Granite Mountain Water Company, Inc. is hereby
 23 granted the following extensions of time for the following requirements included in Decision No.
 24 71869 (September 1, 2010):

Requirement in Decision No. 71869	Current Deadline	Extended Deadline
Complete one of the following to address its inadequate storage capacity issue: (a) Drill a replacement well to replace its existing Well No. 5 (ADWR #55-622083), or (b) Construct and install a 110,000-gallon storage tank	March 1, 2012	September 1, 2012

<p>1 If addressing the inadequate storage capacity issue 2 by drilling a replacement well, file with the 3 Commission's Docket Control, as a compliance item in this docket, copies of the Approval to Construct for the replacement well</p>	<p>March 1, 2011</p>	<p>September 1, 2011</p>
<p>4 If addressing the inadequate storage capacity issue 5 by drilling a replacement well, file with the 6 Commission's Docket Control, as a compliance item in this docket, copies of the Approval of Construction for the replacement well</p>	<p>March 1, 2012</p>	<p>September 1, 2012</p>

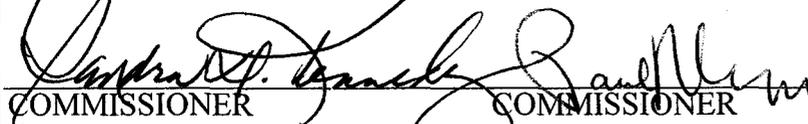
7 IT IS FURTHER ORDERED that all other requirements of Decision No. 71869 shall remain
8 in effect.

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

10 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

11 
12 CHAIRMAN


COMMISSIONER

13 
14 COMMISSIONER


COMMISSIONER

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16 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
17 Executive Director of the Arizona Corporation Commission,
18 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 4th day of MAY, 2011.

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20 
21 ERNEST G. JOHNSON
22 EXECUTIVE DIRECTOR

23
24 DISSENT _____

25
26 DISSENT _____

1 SERVICE LIST FOR: GRANITE MOUNTAIN WATER COMPANY, INC.

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3 DOCKET NOS.: W-02467A-09-0333 AND W-02467A-09-0334

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