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MEMORANDUM

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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

AUG 16 2011

DATE: August 16, 2011

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RE: TORTOLITA WATER COMPANY, INC. (DOCKET NO. W-02301A-05-0873)

In Decision No. 68864, dated July 28, 2006, the Arizona Corporation Commission (“Commission”) approved the application of Tortolita Water Company, Inc. (“Tortolita” or “Company”) for a rate increase. As part of Decision No. 68864, the Commission ordered that:

**“...Tortolita Water Company shall file a rate case application within five years of this Decision.”**

Based on the July 28, 2006 date of Decision No. 68864, the Commission imposed due date for the above compliance item was July 28, 2011.

On July 25, 2011, the Company filed a motion seeking both an extension of time for the provision of the rate case application and, further, an amendment of the decision such that the rate case requirement would be waived. This Staff memorandum is meant to provide Staff’s recommendation on the request for extension of time as the Commission has not chosen to act on the simultaneous request to amend Decision No. 68864.

In the application, it states that Tortolita is located within a development called Garden Estates, which was originally to consist of a total of 25 lots. Due to the marketplace and a “dramatic decrease” in the market for developed lots, the Company has but two customers after a period of five years, with no expectation of any upward trend in the near term. The Company communicates that neither the project nor the number of water customers have met the projections outlined in the decision. Because of this, the Company provides that there is “no need to adjust the rates at this time” through a rate case filing.

The original application did not include a specific amount of time that the Company was seeking for the extension of time. After discussion, the Company provided an August 9, 2011 e-mail stating that a two year request would be most “accurate and realistic”. Staff accepted this additional information as an amendment to the July 25, 2011 application and conducted its review using this new information.

SERVICE LIST FOR:  
DOCKET NO.

TORTOLITA WATER COMPANY  
W-02301A-05-0873

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