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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

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

AUG 17 2011

DOCKETED BY *nr*

IN THE MATTER OF THE APPLICATION OF  
RED ROCK UTILITIES, LLC, FOR A  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE WATER SERVICE IN  
PIMA COUNTY, ARIZONA.

DOCKET NO. WS-04245A-07-0363

DECISION NO. 72532

**ORDER EXTENDING TIME  
DEADLINE CONTAINED IN  
DECISION NOS. 70030 AND 71226**

Open Meeting  
August 11, 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. In Decision No. 70030 (December 4, 2007) the Commission approved the application of Red Rock Utilities, LLC ("Red Rock" or "Company") for a Certificate of Convenience and Necessity ("CC&N") to provide water service in Pima County.

2. As part of Decision No. 70030, the Commission ordered Red Rock to "file within 24 months of the effective date of this Decision a copy of the 'Approval to Construct' for Phase I by the ADEQ."

3. Based on the effective date of Decision No. 70030, the original deadline for complying with the requirement was December 4, 2009.

4. On May 8, 2009, the Company filed a Motion seeking a two-year extension of time to provide the Arizona Department of Environmental Quality ("ADEQ") Approval to Construct ("ATC"). The Commission approved the requested extension until December 4, 2011, in Decision No. 71226 (August 6, 2009).

1           5.       On June 13, 2011, Red Rock filed a Motion for Further Extension of Compliance  
2 Filing Date Deadline. The Company is seeking another extension of time to file the ATC. The  
3 Company states that “recessionary effects” which have impacted development plans continue to  
4 affect development of the area. The Company states that timing of development remains uncertain  
5 until the economy stabilizes. In addition, the developer sold 122 acres of land within the original  
6 development for use as a correctional facility, which was a use not contemplated in the original  
7 development plan that had been approved by the Pima County Board of Supervisors. The developer  
8 negotiated an amendment to the original 2005 agreement with Pima County which sets forth the  
9 project timeline. Part of the amendment agreement provides:

10                   It is the intent of the parties to permit Developer [i.e. SWLI] somewhat  
11                   more flexibility with respect to the timing and phasing of the Property’s  
12                   development, but still to provide for the orderly development of the  
                    Property and the concurrent development of the on-site and off-site  
                    infrastructure needed for the area.

13           6.       Red Rock reports that it has made preparations to drill two wells, construct 4,400 feet  
14 of 8-inch transmission main between the wells and construct 1,300 feet of 12 inch transmission main  
15 to provide potable water to the aforementioned 122 acres.

16           7.       Red Rock states that although it has expended substantial time and money to facilitate  
17 development, and that Pima County has been supportive, neither it nor the County can influence the  
18 economy to allow the development of the area to proceed in accordance with the development  
19 agreement; and that the Company is not in a position to obtain an ATC from ADEQ by December 4,  
20 2011. The Company requests an extension of the deadline until December 4, 2013.

21           8.       On July 27, 2011, the Commission’s Utilities Division (“Staff”) filed a Memorandum  
22 in which it states it does not object to the extension of the deadline, and recommends that the  
23 Commission extend the due date for filing the ADEQ ATC until December 4, 2013.

24           9.       Staff states that it appears that Red Rock and the developer have shown progress in  
25 that they have dedicated time and money to the plan for development and that Pima County appears  
26 to remain supportive of the amended development plan. Staff also notes that Red Rock has provided  
27 an updated request for service from the developer which reiterates the developer’s desire for Red  
28 Rock to provide potable water service to the area.



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**ORDER**

IT IS THEREFORE ORDERED that the deadline for Red Rock Utilities, LLC to file an Approval to Construct, as required by Decision Nos. 70030 and 71226, is extended until December 4, 2013.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

		
CHAIRMAN	COMMISSIONER	
		
COMMISSIONER	COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, 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 17<sup>th</sup> day of August, 2011.

  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT \_\_\_\_\_

DISSENT \_\_\_\_\_

1 SERVICE LIST FOR: RED ROCK UTILITIES, LLC

2 DOCKET NO.: WS-04245A-07-0363

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