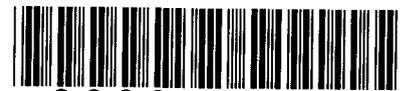


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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

Arizona Corporation Commission

DOCKETED

NOV 4 2011

DOCKETED BY

AZ CORP COMMISSION
DOCKET CONTROL

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RECEIVED

IN THE MATTER OF THE APPLICATION OF)
RANCHO SAHUARITA WATER COMPANY,) DOCKET NO. W-03718A-07-0687
L.L.C. FOR THE TRANSFER OF ITS)
CERTIFICATE OF CONVENIENCE AND) MOTION FOR FURTHER
NECESSITY TO SAHUARITA WATER) EXTENSION OF COMPLIANCE
COMPANY, L.L.C., AND EXTENSION OF THE) FILING DATE DEADLINE
CERTIFICATE OF CONVENIENCE AND)
NECESSITY FOR WATER SERVICE.)

I.

MOTION FOR FILING EXTENSION OF COMPLIANCE

FILING DATE DEADLINE

Pursuant to A.A.C. Rule R14-3-106(K), Sahuarita Water Company, L.L.C. ("Sahuarita") hereby requests that the Commission enter an appropriate form of order or decision extending from November 19, 2011 to November 19, 2013 the deadline by which Sahuarita is required to file an Approval To Construct ("ATC") from the Arizona Department of Environmental Quality ("ADEQ") for the water facilities needed to provide the initial phase of service which was the subject of the CC&N extension granted to Sahuarita in Decision No. 70620, as modified in light of the change in circumstances discussed in Section II below.

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II.

CIRCUMSTANCES SURROUNDING MOTION

1
2
3 On November 19, 2008 the Commission issued Decision No. 70620 by means of which it
4 enlarged Sahuarita's then existing certificated service area to include three (3) land areas in
5 which residential and commercial development was contemplated to occur. One (1) of these
6 land areas pertained to the Mission Peaks Master Planned Community, which was to be
7 developed by Mission Peaks 4000, L.L.C., a Nevada limited liability company ("Mission
8 Peaks"). The second land area was (and is) owned by Sahuarita Mission Partners, an Arizona
9 partnership ("Sahuarita Mission"). The third land area was (and is) owned by the Arizona State
10 Land Department ("ASLD").

11 Subsequent to the issuance of Decision No. 70620, the depressing effects of the 2008
12 financial crisis upon development and homebuilding descended upon Mission Peaks and its
13 contemplated Mission Peaks Master Planned Community. In turn, those same effects impacted
14 both the development plans and timing of development for the Sahuarita Mission and ASLD
15 acreage, because those two (2) land areas were to be included in the third phase of development
16 of the Mission Peaks Master Planned Community. In addition, and perhaps as a consequence of
17 the aforementioned depressing economic impact on development and homebuilding, the Mission
18 Peaks land area was sold to Freeport-McMoRan Copper & Gold ("Freeport McMoRan"), and the
19 Mission Peaks Master Planned Community project was terminated by Mission Peaks.

20 As a consequence of the foregoing, Sahuarita Mission and ASLD have had to re-examine
21 the manner in which their respective land areas will be developed; and, their plans in that regard
22 have not as yet been finalized. In turn, these events have necessarily occasioned changes in
23 thinking as to how Sahuarita's water system should be designed and constructed to most
24 efficiently facilitate development in those two (2) land areas. In addition, Sahuarita and Freeport
25 McMoRan are currently involved in discussions as to the type of water service Freeport
26 McMoRan might wish for Sahuarita to provide to and within the former Mission Peaks land area.
27
28

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1 Until a decision has been reached in that regard, Sahuarita similarly is not in a position to know
2 what water facilities and infrastructure design are most appropriate in order to serve that acreage.

3 However, Freeport McMoRan, Sahuarita Mission and ASLD each have recently
4 indicated in writing that they would like for Sahuarita to continue to be the provider of future
5 water service to and within their respective acreage. Copies of those letters are attached to this
6 Motion as Appendices "A," "B" and "C," respectively, and are incorporated herein by this
7 reference. In that regard, Sahuarita continues in its desire and willingness to provide water
8 service to and within the aforementioned land areas.

9 **III.**

10 **SATISFACTION OF OTHER COMPLIANCE**

11 **CONDITIONS IN DECISION NO. 70620**

12 On May 19, 2009, Sahuarita filed with the Commission's Docket Control that
13 Modification of Designation of Assured Water Supply, as issued by the Arizona Department of
14 Water Resources, which was the subject of the Sixth Ordering Paragraph in Decision No. 70620.

15 On December 9, 2009, and pursuant to the Fifth Ordering Paragraph in Decision No.
16 70620, Sahuarita filed with the Commission's Docket Control certain Best Management
17 Practices proposed by Sahuarita for review and consideration by the Commission and its Staff.
18 On February 11, 2011 the Commission issued Decision No. 72177 in which it concluded, *inter*
19 *alia*, that Sahuarita had complied with the Best Management Practices filing requirement which
20 was the subject of the aforesaid ordering paragraph in Decision No. 70620. Thus, with the
21 exception of the ATC filing requirement which is the subject of the Fourth Ordering Paragraph
22 in Decision No. 70620, Sahuarita has satisfied all of the compliance conditions of Decision No.
23 70620.

24 **IV.**

25 **REQUEST FOR RELIEF**

26 Accordingly, by means of this Motion, Sahuarita hereby requests that the Commission
27 enter an appropriate order or decision extending the date deadline for filing an ATC from ADEQ
28

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1 for the water system facilities necessary to provide the initial phase of service to and within the
2 Freeport McMoRan, Sahuarita Mission and/or ASLD land area(s) from November 19, 2011 to
3 November 19, 2013.

4
5 Dated this 3rd day of November 2011.

6
7 Respectfully submitted,

8 Lawrence V. Robertson, Jr.

9 Lawrence V. Robertson, Jr.
10 Of Counsel to Munger Chadwick, P.L.C.
11 Attorney for Sahuarita Water Company, L.L.C.

12 The original and thirteen (13) copies of the
13 foregoing Motion will be mailed this same date to:

14 Docket Control
15 Arizona Corporation Commission
16 1200 West Washington
17 Phoenix, Arizona 85007

18 A copy of the foregoing Motion will also be
19 sent by email or first class mail to:

20 Lyn A. Farmer
21 Chief Administrative Law Judge
22 Hearing Division
23 Arizona Corporation Commission
24 1200 West Washington Street
25 Phoenix, Arizona 85007

26 Janice Alward, Chief Legal Counsel
27 Legal Division
28 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

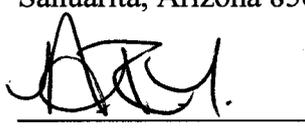
Steven M. Olea, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

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Kimberly D. Battista, Chief
Compliance & Enforcement
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Cortlandt Chalfant, President
Sahuarita Water Company
P.O. Box 1520
Sahuarita, Arizona 85629



Appendix “A”

to

**Motion for Further Extension of
Compliance Filing Date Deadline**

Sahuarita Water Company, L.L.C.
Docket No. W-03718A-07-0687
November 3, 2011



Freeport-McMoRan Sierrita Operations
6200 W Duval Mine Rd.
Green Valley, AZ 85622-0527

A. John Broderick
Vice President and General Manager

November 2, 2011

Cortlandt Chalfant
Senior Vice-President, Rancho Sahuarita Companies
President, Sahuarita Water Company
4549 E. Fort Lowell
Tucson, AZ 85712

Re: Sahuarita Water Company, LLC – ACC Decision No. 70620

Dear Sir or Madam:

This will confirm that Freeport-McMoRan Sierrita Inc. ("Sierrita") has acquired the property known as Mission Peaks, which includes approximately 4,228 acres of land in Pima County, Arizona. I understand that prior to Sierrita's acquisition of Mission Peaks, the Arizona Corporation Commission extended your company's service territory for water utility service to include the property.

It appears that this extension was conditioned by the Commission upon the filing of approvals to construct for water infrastructure necessary to serve initial development in the area, and that the deadline is November 2011. Although Sierrita does not have any immediate plans for development in the area, we do not oppose any request to extend the deadline by two years.

Sincerely,

A handwritten signature in black ink, appearing to read "John Broderick".

John Broderick
Vice President & General Manager

Xc: Dan Dempsey

Appendix “B”

to

Motion for Further Extension of Compliance Filing Date Deadline

Sahuarita Water Company, L.L.C.
Docket No. W-03718A-07-0687
November 3, 2011



4549 E. Fort Lowell Road • Tucson, AZ 85712 • (520) 299-8766
FAX (520) 529-3137

November 2, 2011

Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Motion for Extension of Compliance – Filing Deadline
Sahuarita Water Company.

To Whom it May Concern:

Sahuarita Mission Partners, L.L.C. (“Sahuarita Mission”) intends to cause or facilitate the development of approximately 3,000 single family residential units on approximately 471 acres of land which Sahuarita Mission owns in an unincorporated area of Pima County, Arizona, northwest of the Town of Sahuarita that Sahuarita Water Company, L.L.C. (“Sahuarita Water”) has agreed to serve.

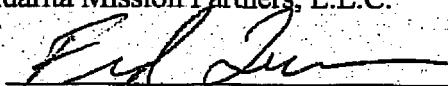
We understand that Sahuarita Water’s ability to eventually serve our property is subject to a November, 2011 deadline to provide the Arizona Corporation Commission with “Approvals to Construct” water infrastructure in accordance with Docket W-03718A-0687 (the “Decision”).

In light of development delays induced by the nationwide recession that we have experienced and changes in ownership and land use to a neighboring parcel that is also subject to the Decision, we support Sahuarita Water’s request to extend the Filing Deadline as described in the Motion to which this letter is attached.

Please feel free to contact me with any questions or thoughts that you may have on this matter.

Sincerely,

Sahuarita Mission Partners, L.L.C.

By: 

Fred Lewis for Robert M. Sharpe, General Partner

Appendix “C”

to

Motion for Further Extension of Compliance Filing Date Deadline

Sahuarita Water Company, L.L.C.
Docket No. W-03718A-07-0687
November 3, 2011

Janice K. Brewer
Governor

ARIZONA STATE  LAND DEPARTMENT

Maria Baier
State Land
Commissioner

November 2, 2011

Cortlandt Chalfant, President
Sahuarita Water Company
4549 E. Fort Lowell
Tucson, AZ 85712

RE: Extension of Water Utility Service for Arizona State Trust Land

Dear Mr. Chalfant:

This letter is in response to your request for a letter of support for the extension of your current Certificate of Convenience & Necessity. The Arizona State Land Department initially supported this request in December 2007. It was determined to be in the best interest of State Trust land to be included in this certificated area for water delivery.

The CC&N for Sahuarita Water Company, LLC. has the continued support of the Arizona State Land Department. It is the Departments request to have water service for the following State Trust Land: Section 16, Township 17 South, Range 13 East, G&SRB&M, Pima County, Arizona.

If you have any questions, please contact Cynthia Stefanovic, Water Rights and Agriculture Section at (602)542-2669 or cstefanovic@land.az.gov.

Sincerely,



Vanessa P. Hickman
Deputy State Land Commissioner

HAK/