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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

FEB 17 2012

DOCKETED BY	nr
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IN THE MATTER OF THE APPLICATION OF GLOBAL WATER – PALO VERDE UTILITIES COMPANY FOR THE ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES FOR UTILITY SERVICE DESIGNED TO REALIZE A REASONABLE RATE OF RETURN ON THE FAIR VALUE OF ITS PROPERTY THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. SW-20445A-09-0077

IN THE MATTER OF THE APPLICATION OF VALENCIA WATER COMPANY – GREATER BUCKEYE DIVISION FOR THE ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES FOR UTILITY SERVICE DESIGNED TO REALIZE A REASONABLE RATE OF RETURN ON THE FAIR VALUE OF ITS PROPERTY THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. W-02451A-09-0078

IN THE MATTER OF THE APPLICATION OF WILLOW VALLEY WATER COMPANY FOR ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES FOR UTILITY SERVICE DESIGNED TO REALIZE A REASONABLE RATE OF RETURN ON THE FAIR VALUE OF ITS PROPERTY THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. W-01732A-09-0079

IN THE MATTER OF THE APPLICATION OF GLOBAL WATER – SANTA CRUZ WATER COMPANY FOR ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES FOR UTILITY SERVICE DESIGNED TO REALIZE A REASONABLE RATE OF RETURN ON THE FAIR VALUE OF ITS PROPERTY THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. W-20446A-09-0080

1 IN THE MATTER OF THE APPLICATION  
2 OF WATER UTILITY OF GREATER  
3 TONOPAH FOR ESTABLISHMENT OF  
4 JUST AND REASONABLE RATES AND  
5 CHARGES FOR UTILITY SERVICE  
6 DESIGNED TO REALIZE A REASONABLE  
7 RATE OF RETURN ON THE FAIR VALUE  
8 OF ITS PROPERTY THROUGHOUT THE  
9 STATE OF ARIZONA.

DOCKET NO. W-02450A-09-0081

7 IN THE MATTER OF THE APPLICATION  
8 OF VALENCIA WATER COMPANY –  
9 TOWN DIVISION FOR ESTABLISHMENT  
10 OF JUST AND REASONABLE RATES AND  
11 CHARGES FOR UTILITY SERVICE  
12 DESIGNED TO REALIZE A REASONABLE  
13 RATE OF RETURN ON THE FAIR VALUE  
14 OF ITS PROPERTY THROUGHOUT THE  
15 STATE OF ARIZONA.

DOCKET NO. W-01212A-09-0082

DECISION NO. 72891

**ORDER EXTENDING TIME**  
**DEADLINE ORDERED BY**  
**DECISION NO. 78178**

12 Open Meeting  
13 February 14 and 15, 2012  
14 Phoenix, Arizona

14 **BY THE COMMISSION:**

15 \* \* \* \* \*

16 Having considered the entire record herein and being fully advised in the premises, the  
17 Arizona Corporation Commission (“Commission”) finds, concludes, and orders that:

18 **FINDINGS OF FACT**

19 1. On September 15, 2010, the Commission issued Decision No. 71878 in Docket No.  
20 SW-20445A-09-0077 *et al.* setting rates for the above captioned applicants (collectively, the “Global  
21 Utilities”).

22 2. Decision No. 71878 ordered that a generic investigation be commenced which looks at  
23 how best to achieve the Commission’s objectives with regard to encouraging the acquisition of  
24 troubled water companies and the development of regional infrastructure where appropriate.  
25 Decision No. 71878 ordered that as part of the generic investigation, the workshop address whether  
26 Infrastructure Coordination and Finance Agreements (“ICFAs”), or other mechanisms, if properly  
27 segregated and accounted for, could be utilized to finance the actual acquisition of troubled water  
28

1 companies, and a portion of the carrying costs associated with the unused water and wastewater  
2 facilities or infrastructure determined to meet the Commission's objectives in this regard. Decision  
3 No. 71878 ordered Staff to notice and facilitate, and the Global Utilities and their parent entities  
4 ("Global") to participate in, stakeholder workshops designed to address these issues, and make  
5 recommendations to the Commission on the issues discussed in the workshops, including whether it  
6 is appropriate to adopt the recommendations in the next Global Utility rate case, as well as other  
7 future rate cases. Decision No. 71878 ordered that the workshops be noticed and held in the existing  
8 Generic Docket No. W-00000C-06-0149. Decision No. 71878 further ordered that Staff make  
9 recommendations to the Commission within 90 days of the conclusion of the workshops.

10 3. In compliance with Decision No. 71878, Staff held a series of workshops over the  
11 course of a year, the most recent of which concluded on November 4, 2011.

12 4. At a Commission Staff Open Meeting held on September 7, 2011, the Commission  
13 authorized Staff to engage the services of an independent audit firm to examine and report on Global  
14 ICFAs and related transactions.

15 5. On January 12, 2012, Staff filed a Request for an Extension of Time for Compliance  
16 Due Date ("Request"). In the Request, Staff states that Staff has engaged an auditor and the audit is  
17 currently ongoing. Staff states that the audit report is anticipated within the next 30 days, and Staff  
18 believes the Staff recommendations required by Decision No. 71878 would be more meaningful if  
19 they include the audit findings and are based on an analysis of the audit report. Staff therefore  
20 requests a 45 day extension of time, until March 19, 2012, to file the recommendations.

21 6. Staff's request is reasonable and should be granted.

### 22 CONCLUSIONS OF LAW

23 1. The Global Utilities are public service corporations pursuant to Article XV of the  
24 Arizona Constitution and A.R.S. §§ 40-250 and 40-251.

25 2. The Commission has jurisdiction over the Global Utilities and the subject matter of  
26 this proceeding, including Staff's request for an extension of time to comply with Commission  
27 Decision No. 71878.  
28

3. Under the circumstances, it is reasonable and in the public interest to grant Staff a 45 day extension of time until March 19, 2012 to file the recommendations required by Decision No. 71878.

**ORDER**

IT IS THEREFORE ORDERED that the compliance deadline set by Decision No. 71878 for Staff to file the recommendations required by Decision No. 71878 is hereby extended to March 19, 2012.

IT IS FURTHER ORDERED no additional extensions of time will be granted regarding this matter absent extraordinary circumstances.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

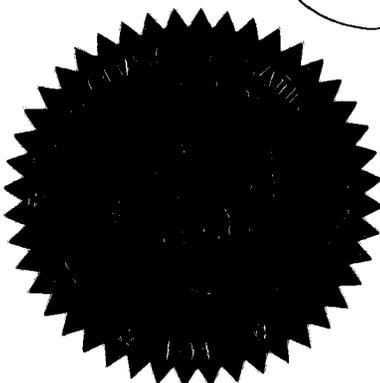
*Sam L. Duen*  
CHAIRMAN

*Bl. Ag.*  
COMMISSIONER

*Jordan D. Gonzalez*  
COMMISSIONER

*Paul Meyer*  
COMMISSIONER

*Brenda Burn*  
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 FEBRUARY, 2012.

*E. G. Johnson*  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT \_\_\_\_\_

DISSENT \_\_\_\_\_

1 SERVICE LIST FOR:

GLOBAL WATER – PALO VERDE UTILITIES COMPANY; VALENCIA WATER COMPANY – GREATER BUCKEYE DIVISION; WILLOW VALLEY WATER COMPANY; GLOBAL WATER – SANTA CRUZ WATER COMPANY; WATER UTILITY OF GREATER TONOPAH; and VALENCIA WATER COMPANY – TOWN DIVISION.

5 DOCKET NOS.:

SW-20445A-09-0077, W-02451A-09-0078, W-01732A-09-0079, W-20446A-09-0080, W-02450A-09-0081 and W-01212A-09-0082

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