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ORIGINAL

MEMORANDUM

RECEIVED

TO: Docket Control Center

FROM: Steven M. Olea
Director
Utilities Division

2012 APR 10 P 2:02
AZ CORP COMMISSION
DOCKET CONTROL

DATE: April 10, 2012

RE: VALLE VERDE WATER COMPANY - REQUEST FOR EXTENSION OF COMPLIANCE DEADLINE (DOCKET NOS. W-01431A-09-0360 AND W-01431A-09-0361)

On September 28, 2010, the Arizona Corporation Commission ("Commission") issued Decision No. 71899 which approved the application of Valle Verde Water Company for an increase in rates and for authority to incur long-term debt. As part of Decision No. 71899, the Commission ordered that:

"...the Estate of William F. Randall d/b/a Valle Verde Water Company shall file with Docket control, as a compliance item in this docket, no later than December 31, 2011, a copy of the Approval of Construction of the additional storage."

On January 13, 2012, Valle Verde Water Company ("Valley Verde") docketed a motion for a one year extension of time, from December 31, 2011 to December 31, 2012, for the provision of the Approval of Construction ("AOC") for additional storage. During the rate case approved in Decision No. 71899, Staff found that Valle Verde's water systems did not have any storage capacity and recommended that a minimum of 175,000 gallons of storage capacity be installed. This drove the Commission compliance requirement for the provision of the associated AOC on the storage installation project. In discussing the storage tank project, the application states that Valle Verde has "not received the Approval of Construction (AOC) due to the time it has taken to design the required storage tank and to have the necessary contracts signed for the well 2 site."

The Company hopes to start construction in March 2012 and complete it by July 2012, but asks for an extension until December 31, 2012, as a contingency in case possible unknowns slow down the project further. Based on the application and all of the above, Staff does not object to Valle Verde's request for an extension of time for provision of the storage project AOC. Staff, therefore, recommends that the due date associated with the provision of the AOC for the storage project be extended from December 31, 2011 until December 31, 2012.

SMO:BKB:lh

Originator: Brian K. Bozzo

Attachment

Arizona Corporation Commission
DOCKETED

APR 10 2012

DOCKETED BY [Signature]

SERVICE LIST FOR:

VALLE VERDE WATER COMPANY

DOCKET NOS. W-01431A-09-0360 & W-01431A-09-0361

Mr. Steve Wene

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