

ORIGINAL

MEMORANDUM



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2012 APR 10 P 2:09 Arizona Corporation Commission

FROM: Steven M. Olea  
Director  
Utilities Division

AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED

APR 10 2012

DATE: April 10, 2012

DOCKETED BY	<i>MW</i>
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RE: RIDGELINE WATER COMPANY, L.L.C. - REQUEST FOR EXTENSION OF COMPLIANCE DEADLINE (DOCKET NO. W-20589A-08-0173 )

On February 12, 2009, the Arizona Corporation Commission ("Commission") issued Decision No. 70748 which approved the application of Ridgeline Water Company, L.L.C. ("Ridgeline" or "Company") for an Order Preliminary to the issuance of a Certificate of Convenience and Necessity ("CC&N") to provide water service. The CC&N was for authority to provide water service to an unincorporated area/subdivision known as Ridgeline Estates, which is located near Madera Canyon, south of Tucson, in Pima County, Arizona.

As part of Decision No. 70748, the Commission ordered that:

*"...Ridgeline Water Company, L.L.C., shall file with Docket Control, as a compliance item in this docket, within three years of the effective date of this Decision, a copy of the Approval to Construct issued by the Pima County Department of Environmental Quality for water system facilities needed to serve the Ridgeline Estates development."*

On December 2, 2011, Ridgeline docketed a motion for a two year extension of time, from February 12, 2012 to February 12, 2014, for the provision of the Approval to Construct ("ATC") relating to the Ridgeline Estates development ("Ridgeline Estates"). The application identifies that there were a number of preliminary compliance requirements outlined in Decision No. 70748 that were precursors to the Company filing the final motion requesting issuance of the CC&N. The Company states that it has complied with all but one of the compliance conditions necessary and requires only the above referenced ATC from the Pima County Department of Environmental Quality ("PCDEQ") to be file for the CC&N. The Company provided the following information explaining the need for the extension:

*"Like hundreds of real estate development projects throughout the State of Arizona, the developers of the Ridgeline Estates community have been delayed in proceeding with their original timeline for development by the sustained depressing effects of the 2008 financial crisis and the subsequent years of economic recession and stagnation. At the time of issuance of Decision No. 70748, only six (6) weeks into 2009, what lay ahead for the economy as a whole and the homebuilding industry in particular, was not foreseeable."*

The Company states that the developers, Pollux Properties, L.L.C. ("Pollux"), have continued to move the project forward by obtaining and negotiating several easements to allow for necessary underground utility facilities and for ingress and egress to Ridgeline Estates. Also, Ridgeline has provided an updated request for service letter from Pollux in which the developer continues to request that Ridgeline be the provider of water service to their development.

Finally, although extensions of time are not typical in situations in which an Order Preliminary is granted by the Commission, Decision No. 70748 does specifically consider the possibility of an extension of time in this matter. On page 30 of Decision No. 70748, the Commission states that missing one of the required deadlines would render the CC&N Null and Void, after due process, *"unless the Commission grants an extension of time for compliance with those requirements."*

Staff's research into this matter confirms that the Company has complied with the required compliance matters with the exception of the ATC. As such, based on the application and all of the above, Staff does not object to Ridgeline's request for an extension of time for provision of the PCDEQ ATC. Staff therefore recommends that the due date for the ATC be extended from February 12, 2012 until February 12, 2014. Staff further recommends that no further time extensions be granted in this matter.

SMO:BKB:lmh

Originator: Brian K. Bozzo

SERVICE LIST FOR:

RIDGELINE WATER COMPANY, L.L.C.  
DOCKET NO. W-20589A-08-0173

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