

ORIGINAL

OPEN MEETING ITEM

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



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ARIZONA CORPORATION COMMISSION

AZ CORP COMMISSION
DOCKET CONTROL

DATE: AUGUST 28, 2012

DOCKET NOS.: W-02237A-11-0084 AND W-02237A-11-0180

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Teena Jibilian. The recommendation has been filed in the form of an Order on:

ORANGE GROVE WATER COMPANY, INC.
(EXTENSION OF TIME DEADLINE
CONTAINED IN DECISION NO. 72734)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

SEPTEMBER 6, 2012

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

SEPTEMBER 19, 2012 AND SEPTEMBER 20, 2012

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission

DOCKETED

AUG 28 2012

DOCKETED BY *AM*

E. G. Johnson
ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION
OF ORANGE GROVE WATER COMPANY,
INC. FOR APPROVAL OF FINANCING.

DOCKET NO. W-02237A-11-0084

IN THE MATTER OF THE APPLICATION
OF ORANGE GROVE WATER COMPANY,
INC. FOR A RATE INCREASE.

DOCKET NO. W-02237A-11-0180

DECISION NO. _____

ORDER EXTENDING TIME
DEADLINE ORDERED BY
DECISION NO. 72734

Open Meeting
September 19 and 20, 2012
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. On January 6, 2012, the Commission issued Decision No. 72734, which authorized new rates for Orange Grove Water Company, Inc. ("Orange Grove" or "Company") and granted authority for Water Infrastructure and Financing Authority ("WIFA") financing.

2. Decision No. 71110 (June 5, 2009) ordered the Company to install a minimum of 60,000 gallons of storage capacity. However, in this docket, the Commission's Utilities Division ("Staff") recommended that the Company be given the option of installing an on-site emergency generator with sufficient capacity to run the Company's 300 gallons per minute ("GPM") backup well in lieu of adding the ordered storage capacity. Decision No. 72734 adopted Staff's

1 recommendation, and waived the requirements of Decision No. 71110 relating to installation of new
2 storage capacity, conditioned upon Orange Grove filing documentation within 30 days (by May 7,
3 2012), demonstrating completion of the on-site emergency generator and associated improvements.

4 3. On May 7, 2012, Orange Grove filed an Application to Amend Compliance Deadline.
5 Therein, Orange Grove stated that the WIFA loan proceeds are required to finance the installation of
6 the emergency generator, that it had received the draft WIFA loan documents on April 18, 2012, and
7 that WIFA the loan was tentatively scheduled to close on May 25, 2012. The Company requested an
8 additional 120 days to comply with the May 7, 2012, compliance deadline in Decision No. 72734.

9 4. On July 2, 2012, Orange Grove filed a Notice of Compliance Re Surcharge Report.

10 5. On July 31, 2012, Orange Grove filed a Notice of Compliance Re Loan Execution, and
11 an Application for Implementation of Financing Surcharge.

12 6. On August 14, 2012, Staff filed a Memorandum on Orange Grove's May 7, 2012,
13 compliance deadline extension request. Staff states that upon contacting Orange Grove, it learned
14 that the WIFA loan closing had been moved back another month. Because the on-site emergency
15 generator project must be completed prior to the Company's compliance filing, Staff recommends
16 that an Order be issued granting Orange Grove a 180 day extension of time, to November 1, 2012, to
17 comply with the filing requirement.

18 7. Staff's recommendation is reasonable and should be adopted.

19 **CONCLUSIONS OF LAW**

20 1. Orange Grove is a public service corporation within the meaning of Article XV of the
21 Arizona Constitution and A.R.S. §§ 40-250, 40-251, 40-301, 40-302, and 40-303.

22 2. The Commission has jurisdiction over Orange Grove and the subject matter of this
23 proceeding.

24 3. It is reasonable and in the public interest to grant Orange Grove's request for a time
25 extension to comply with Decision No. 72734.

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ORDER

IT IS THEREFORE ORDERED that the compliance deadline set by Decision No. 72734 for Orange Grove Water Company, Inc. to file documentation demonstrating completion of the on-site emergency generator and associated improvements as discussed in Decision No. 72734, is hereby extended to November 1, 2012.

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 _____ day of _____, 2012.

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

1 SERVICE LIST FOR: ORANGE GROVE WATER COMPANY, INC.

2 DOCKET NOS.: W-02237A-11-0084 AND W-02237A-11-0180

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