

ORIGINAL



0000140381

BEFORE THE ARIZONA CORPORATION

RECEIVED

Arizona Corporation Commissioner

DOCKETED

2012 NOV -1 A 11: 58

NOV 07 2012

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DOCKETED BY [Signature]

COMMISSIONERS

Gary Pierce - Chairman
Bob Stump
Paul Newman
Sandra D. Kennedy
Brenda Burns

IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN ARIZONA
CORPORATION, TO EXTEND ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY FOR ITS PINAL VALLEY SYSTEM,
PINAL COUNTY, ARIZONA

DOCKET NO. W-01445A-06-0059

REQUEST FOR ADDITIONAL TIME
FOR COMPLIANCE FILING

On December 5, 2006, the Commission entered Decision No. 69163 (the "Decision") in the above-captioned docket. The Decision approved Arizona Water Company's (the "Company") application for an extension of its Certificate of Convenience and Necessity for its Pinal Valley system. The Decision further directed the Company to file certain items as a compliance filing within certain time frames provided in the Decision.

The extension area approved in the Decision, a map of which is attached hereto as Exhibit A, was divided into five (5) parcels. The Company has previously filed all of the compliance items for Parcels 1 and 3, in compliance with the Decision, in the following manner:

1. On February 3, 2006, in Docket No. W-01445A-04-0773, the Company filed copies of a main extension agreement and a certificate of approval to construct for Parcel 1.
2. On December 18, 2006, in Docket No. W-01445A-04-0773, the Company filed the developer's certificate of assured water supply issued by the Arizona Department of Water Resources for Parcel 1.

1
2 3. On February 12, 2007, in Docket No. W-01445A-06-0059, the Company filed, with
3 respect to Parcel 3, copies of a main extension agreement, a certificate of approval to
4 construct, and a certificate of assured water supply.
5

6 With respect to the Decision's compliance requirements for Parcels 2, 4 and 5, the
7 Company is now requesting an extension of the current compliance deadline, December 5, 2012
8 (so extended by Decision No. 72248, entered on April 7, 2011), for an additional two (2) year
9 period, until December 5, 2014. In support of its request, the Company respectfully further
10 provides as follows:
11

12 1. As detailed in numbered paragraphs 1-3, above, the Company has already substantially
13 complied with the requirements of the Decision.
14

15 2. The Company is currently serving 620 customers in the expansion area approved by the
16 Decision.
17

18 3. On October 5, 2010, the Company filed in this Docket an additional certificate of
19 approval to construct for the construction of facilities to serve the expansion area
20 approved in Decision No. 69163, this one for facilities to serve Parcel 5.
21

22 4. The deep recession and real estate crash over the past several years (essentially the
23 entire time that Decision No. 69163 has been in effect) are extraordinary circumstances
24 that have not been seen since the Great Depression. The severe economic downturn
25 that has battered the Arizona real estate market persists, and continues to delay the
26 development of residential and mixed-use development in Arizona, including Pinal
27 County. Therefore, even though the Company is serving, and expects to serve
28 additional customers in the expansion area within the next few years (see paragraph 2,

1 above, and paragraph 7, below), no one, including housing experts and economists, can
2 say for sure when the real estate market will see a recovery of any significance.

3
4 5. The Commission's Staff observed in evaluating another water utility's request for
5 additional time approved by the Commission in Docket No. W-01732A-05-0532 (see
6 Finding of Fact No. 14 on page 3 of Decision No. 71861 docketed September 1, 2010,
7 Staff response filed on May 8, 2009), "...the downturn in the economy has put a
8 damper on much of the development in this state."

9
10 6. The Arizona Department of Water Resources ("ADWR") has approved a Physical
11 Availability Determination (the "PAD") for an area that includes the entire expansion
12 area. A copy of the PAD is attached hereto as Exhibit B. The PAD, as approved by
13 ADWR, confirms the ADWR's determination that a sufficient amount of groundwater
14 is physically available for 100 years for assured water supply purposes in the PAD
15 study area, which includes the entire extension area and that the water is of adequate
16 quality (see Exhibit B hereto). Therefore, the Company submits that approval of the
17 PAD satisfies the policy objectives behind the condition of obtaining a CAWS. See,
18 generally, Decision No. 68722 (July 30, 2007), paragraph 97. In addition, Commission
19 Decision No. 73146, entered on May 1, 2012, entered in the Global CCN docket,
20 Docket No. W-01445A-06-0199, et al., is consistent with this acceptance of the PAD.

21
22 7. Exhibit C, attached hereto, is a letter from one of the property owners or property
23 owner representatives, of/for the real property located in parcels 2, 4 and 5 of the
24 expansion area (the Company will file additional property owner letters as soon as they
25 are received). The letter documents the property owner's continuing need for and
26 request for water service from the Company to be able to develop its property in the
27 expansion area. The property owner letter also confirms the owner's plans to develop
28 its property in reliance upon water service that it plans to obtain under the Company's

1 CCN. The continued existence of that CCN will support the slowly improving
2 development market that has experienced historic difficulty, as detailed above, and the
3 withdrawal of the CCN would be detrimental to that recovery.

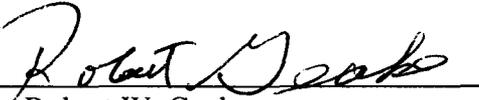
4
5 CONCLUSION

6
7 The Company believes, and therefore respectfully submits that the foregoing provides
8 sufficient support for its request for additional compliance time, and that it confirms the existence
9 of extraordinary circumstances to justify its request. Therefore, the Company respectfully requests
10 that the Commission enter an order:

- 11 a. Extending the compliance deadline to December 5, 2014, under Decision No. 69163 for
12 filing the remaining compliance items for Parcels 2, 4 and 5 in the extension area
13 approved by the Decision.
- 14 b. Specifically, with respect to the CAWS requirement, confirming that, as detailed in
15 paragraph 6, above, the Company has satisfied the CAWS compliance requirement; in
16 the alternative, the Company respectfully requests that the compliance deadline for the
17 CAWS filing be extended to December 5, 2014.
- 18 c. Providing any further relief that it deems appropriate under the circumstances of this
19 Request.

20
21 RESPECTFULLY SUBMITTED this 7th day of November, 2012.

22 **ARIZONA WATER COMPANY**

23
24
25 By: 
26 Robert W. Geake
27 Vice President and General Counsel
28 Arizona Water Company
P. O. Box 29006
Phoenix, AZ 85038-9006

1 Original and thirteen (13) copies of the foregoing filed this 7th day of November, 2012, with:

2 Docket Control Division
3 Arizona Corporation Commission
4 1200 West Washington Street
5 Phoenix, Arizona 85007

6 A copy of the foregoing was hand delivered this 7th day of November, 2012, to:

7 Janice Alward, Chief Counsel
8 Legal Division
9 Arizona Corporation Commission
10 1200 West Washington Street
11 Phoenix, Arizona 85007

12 Steven M. Olea, Director
13 Utilities Division
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17 Brian Bozzo
18 Compliance Director
19 Arizona Corporation Commission
20 1200 West Washington Street
21 Phoenix, Arizona 85007

22 By: 

EXHIBIT A

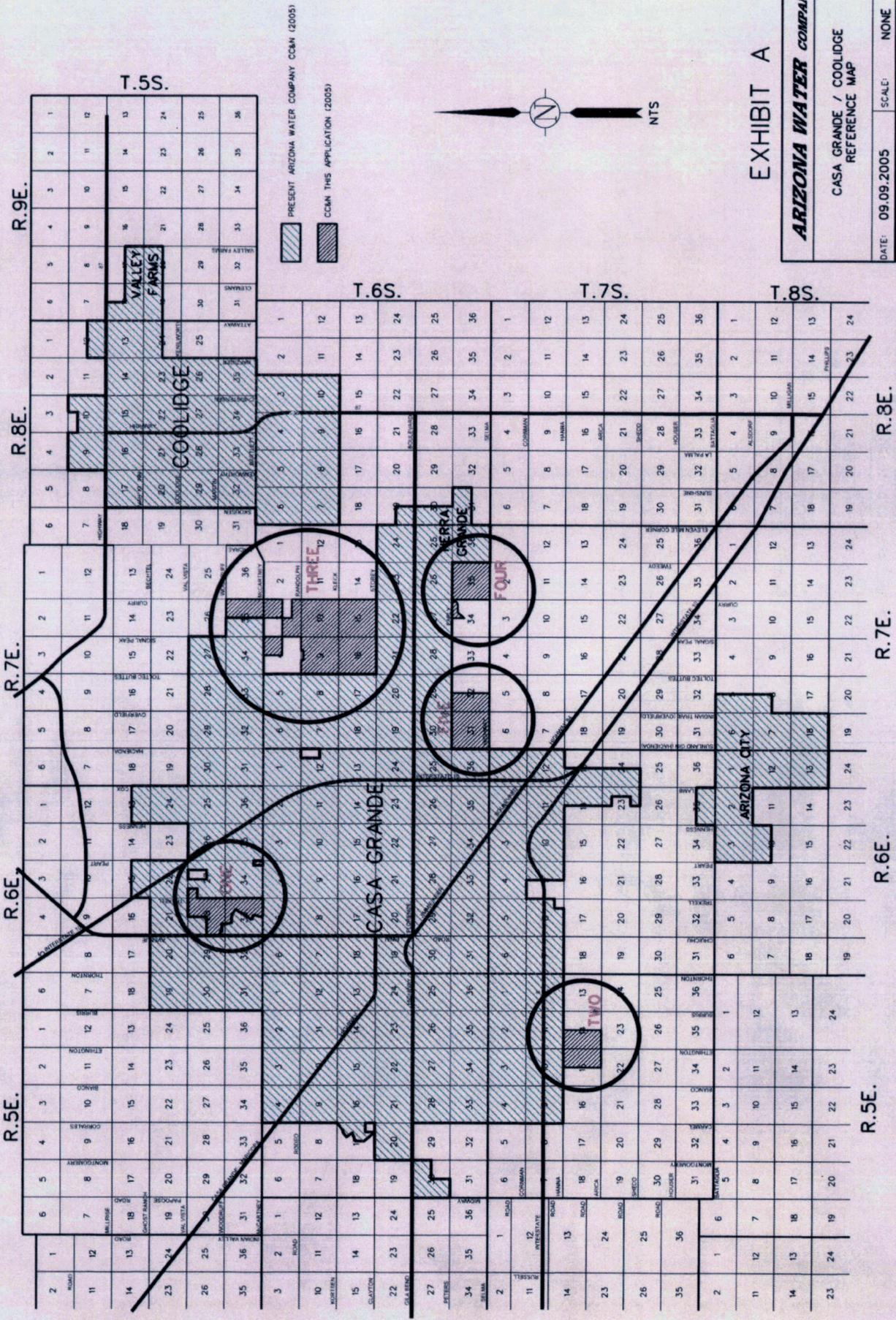


EXHIBIT A

ARIZONA WATER COMPANY	
CASA GRANDE / COOLIDGE REFERENCE MAP	
DATE: 09.09.2005	SCALE: NONE

EXHIBIT B

JANICE K. BREWER

Governor



HERBERT R. GUENTHER

Director

ARIZONA DEPARTMENT OF WATER RESOURCES

3550 North Central Avenue, Second Floor
PHOENIX, ARIZONA 85012-2105
(602) 771-8500

Via Certified Mail

December 24, 2009

Mr. William Garfield, President
Arizona Water Company
3805 North Black Canyon Highway
Phoenix, Arizona 85015

**RE: Arizona Water Company Pinal Valley Water Service Area
Pinal County, Arizona (Pinal AMA)
Application for a Physical Availability Determination
ADWR #51-700444.0000**

Dear Mr. Garfield:

The Department has completed its review of your application for a Physical Availability Determination for Arizona Water Company Pinal Valley Service Area. The Department received the application on November 15, 2007. The study area locations are within Township 4 South, Range 8 East, within portion of Section 36; Township 4 South, Range 9 East, Sections 31, 32, 33; Township 5 South, Range 5 East, and portions of Sections 13, 14, 15, 16, 21 to 28 inclusive, 33, 34, 35, 36; Township 5 South, Range 6 East, Sections 13 to 36; Township 5 South, Range 7 East, Sections 12, 13, 14, 23 to 36; Township 5 South, Range 8 East, Sections 1, 2, portions of 3, 5, 6, 7 to 36 inclusive; Township 5 South, Range 9 East, Sections 4 to 10 inclusive, 15 to 22 inclusive, 27 to 36 inclusive; Township 5 South, Range 10 East, Sections 31, 32 & 33; Township 6 South, Range 3 East, Sections 10 to 16 inclusive, 21 to 28 inclusive, 33, 34, 35 & 36; Township 6 South, Range 4 East, Sections 16 to 21 inclusive, 28 to 33 inclusive portion of Sec. 36; Township 6 South, Range 5 East, Sections 1, 2, 3, 4, portion of Sec. 5, 9 to 16 inclusive, east half of Sec. 17 and 20 to 36 inclusive; Township 6 South, Range 6 East, Sections 1 to 36; Township 6 South, Range 7 East, Sections 1 to 36 inclusive; Township 6 South, Range 8 East, Sections 1 to 24 inclusive, 29, 30, 31 & 32; Township 6 South, Range 9 East, Sections 1 to 24 inclusive; Township 6 South, Range 10 East, Sections 5, 6, 7, 8, 17, 18, 19 & 20; Township 7 South, Range 3 East, Sections 1, 2, 3, 10 to 15 inclusive, 22 to 27 inclusive, 34, 35 & 36; Township 7 South, Range 4 East, Sections 1 to 36 inclusive; Township 7 South, Range 5 East, Sections 1 to 24; Township 7 South, Range 6 East, Sections 1 to 36 inclusive; Township 7 South, Range 7 East, Sections 1 to 7 inclusive, north half of Sections 8, 18, 19, 30, 21 & 32; Township 7 South, Range 8 East, Sections 5 & 6; Township 8 South, Range 6 East, Sections 1, 2, 3, 4, 9 to 16 inclusive, 21, 22, 23 & 24; Township 8 South, Range 7 East, Sections 4 to 9 inclusive, 17, 18, 19 & 20 and GSR B&M in Pinal County, Arizona.

In accordance with A.A.C. R12-15-702(D), the Department has determined that a minimum of 98,841 acre-feet per year of groundwater is physically available for 100 years under A.A.C. R12-15-716(B) for assured water supply purposes in the study area. Although you requested a volume of 103,485 acre-feet, after a review of the hydrologic study and all issued assured water supply determinations in the study area, the Department has concluded that 98,841 acre feet is physically available.

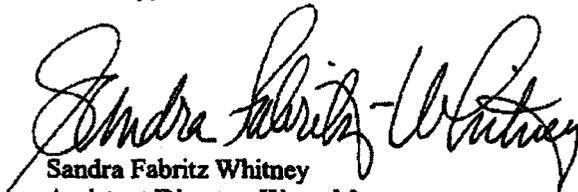
With regard to water quality for the purpose of A.A.C. R12-15-719(A), the provider you select must be regulated by the Arizona Department of Environmental Quality. With regard to water quality for the purpose of A.A.C. R12-15-719(B), the study area is not located within one mile of any known WQARF or Superfund site.

The results of the Department's review fulfill the requirements of R12-15-702(C) and may be cited in applications for determinations of assured water supply. Those applications have certain additional requirements based on the assured water supply criteria referenced in A.R.S. § 45-576 and A.A.C. R12-15-701, et seq. For further information on those requirements, please contact the Office of Assured and Adequate Water Supply at (602) 771-8599.

As with all Physical Availability Determinations issued by the Department, changes in conditions or the accuracy of assumptions and information used in demonstrating physical availability may affect the validity of this determination. Changes in the number or locations of wells may impact applicability of this determination to future applications for determinations of assured water supply.

If you have any questions regarding this Physical Availability Determination, please contact the Office of Assured & Adequate Water Supply at (602) 771-8599.

Sincerely,



Sandra Fabritz Whitney
Assistant Director, Water Management

Via electronic mail:

cc: Steve Corell, scorell@clearcreekassociates.com
Clear Creek Associates

Steve Olea, solea@azcc.gov
Arizona Corporation Commission

Linda Taunt, taunt.linda@azdeq.gov
Arizona Department of Environmental Quality

EXHIBIT C

Traviano Partners LLC
12340 Saratoga Sunnyvale, Ste. 10
Saratoga, CA 95070

October 22, 2012

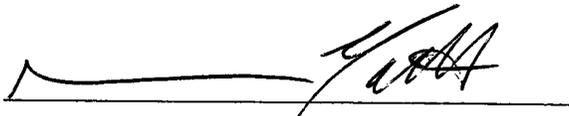
Arizona Water Company
Attn: Robert W. Geake
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Dear Mr. Geake:

Traviano Partners LLC is following up with you regarding Pinal County Assessor's Parcel Nos. 511-47-001G and 511-47-001A which Traviano Partners LLC owns. Traviano Partners LLC still needs and desires to receive water service from Arizona Water Company to serve this parcel. Our current plans include development within twenty-four months. If market conditions improve, however, we hope to shorten this timeframe. If you have any questions, please feel free to contact us.

Sincerely,

Traviano Partners LLC

BY: 

ITS: owner

