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MEMORANDUM

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Director
Utilities Division

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

JAN 27 2014

DATE: January 27, 2014

ORIGINAL

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RE: RIO RICO UTILITIES, INC. – REQUEST FOR EXTENSION OF COMPLIANCE DEADLINE (DOCKET NO. WS-02676A-11-0134)

In Decision No. 72732, dated January 6, 2012, the Arizona Corporation Commission (or “Commission”) approved the application of Rio Rico Utilities, Inc. (“Rio Rico” or “Company”) for a Certificate of Convenience and Necessity (“CC&N”).

As part of Decision No. 72732, the Commission ordered the following:

“... Rio Rico Utilities, Inc. d/b/a Liberty Water shall file with Docket Control, as a compliance item in this docket, within two years of the effective date of this Decision, copies of Windward’s Certificates of Approval to Construct from the Arizona Department of Environmental Quality for the plant necessary to serve Windward Development.”

“... Rio Rico Utilities, Inc. d/b/a Liberty Water shall file with Docket Control, as a compliance item in this docket, within two years of the effective date of this Decision, a copy of the amended Santa Cruz County Franchise Agreement including the approved extension area.”

Based on the January 6, 2012 date of Decision No. 72732 and the two year time frames outlined by the decision, the original Commission due dates for the above requirements were on or about January 6, 2014.

On November 12, 2013, Rio Rico docketed a request for extension of time, seeking to extend the due dates for the required filings for a two year period or until January 6, 2016. In the application, the Company states the following about its respective attempts to comply with the above Franchise and ATC conditions:

“Despite several attempts to finalize an amended Franchise Agreement with the County of Santa Cruz (“County”), RRUI has been unable to get the County to respond in a timely manner.”

“... the developer of the Palo Parado subdivision, Windward Partners XIV, LLC (“Windward”), has yet to obtain the ATCs for the subdivision. As is the case with many developers, the housing market has been slow to recover from the economic downturn beginning in 2007. At the time, RRUI obtained approval to extend its service area, Windward anticipated that the market would be in recovery over the next two years.

On January 23, 2014, the Company docketed an addendum to the extension of time application which included an updated request for service letter from the developer, Windward Partners XIV, LLC. The Company requests that the Commission extend the Franchise and ATC deadlines for an additional two years, from January 6, 2014 to January 6, 2016.

Based on the application and all of the above, Staff does not object to Rio Rico’s request for extension of time to comply with the Franchise Agreement or the ACT requirements outlined in Decision No. 72732. Therefore, Staff recommends that the Commission due date for the above Franchise Agreement and ATC (for the plant necessary to serve the Windward Development) be extended until January 6, 2016.

Staff further recommends that no further extensions of time be granted for the Franchise Agreement requirement.

SMO:BKB:lhv

Originator: Brian K. Bozzo

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DOCKET NO.

RIO RICO UTILITIES, INC.
WS-02676A-11-0134

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