

COMMISSIONERS
BOB STUMP – Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

OPEN MEETING ITEM



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ARIZONA CORPORATION COMMISSION

DATE: FEBRUARY 18, 2014
DOCKET NO.: WS-02676A-11-0134

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TO ALL PARTIES:

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

RIO RICO UTILITIES, INC. DBA LIBERTY WATER
(ORDER EXTENDING TIME DEADLINE IN DECISION NO. 72732)

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:

FEBRUARY 27, 2014

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:

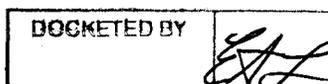
MARCH 11, 2014 and MARCH 12, 2014

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

FEB 18 2014



JODI JERICH
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET; PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET; TUCSON, ARIZONA 85701-1347

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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov.

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

IN THE MATTER OF THE APPLICATION OF
RIO RICO UTILITIES, INC. DBA LIBERTY
WATER FOR AN EXTENSION OF ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER UTILITY
SERVICE IN SANTA CRUZ COUNTY ARIZONA.

DOCKET NO. WS-02676A-11-0134

DECISION NO. _____

**ORDER EXTENDING TIME
DEADLINE IN DECISION NO. 72732**

Open Meeting
March 11 and 12, 2014
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. In Decision No. 72732 (January 6, 2012), the Commission approved the application of Rio Rico Utilities, Inc. d/b/a Liberty Water ("RRUI" or "Company") to extend its existing Certificate of Convenience and Necessity ("CC&N") to provide water service to the Windward Development in Santa Cruz County ("County"), Arizona.

1. As part of Decision No. 72732, the Commission ordered RRUI to file within two years of the effective date of that Decision: a copy of the Approval to Construct ("ATC") from the Arizona Department of Environmental Quality ("ADEQ") for the plant necessary to serve the Windward Development; and a copy of the amended Santa Cruz County Franchise Agreement including the approved extension area ("Franchise Agreement").

2. Based on the effective date of Decision No. 72732, the original deadline for complying with these two filing requirements was January 6, 2014.

1 3. On November 12, 2013, the Company filed a Motion for Extension of Time to
2 Comply with Decision No. 72732 (“Motion”) requesting that the deadlines for filing the ATC and the
3 Franchise Agreement be extended from January 6, 2014 to January 6, 2016.

4 4. On January 22, 2014, the Company filed an addendum to its Motion to include a letter
5 from the developer, Windward Partners XIV, LLC, requesting that the Company extend service to the
6 Windward Development. In the letter, the developer indicates that the project has not been able to
7 move forward because “the Santa Cruz County residential development market is still at a standstill.”
8 According to the Company, the letter was submitted to RRUI on January 16, 2014.

9 5. In its Motion, the Company states that its efforts to secure an executed Franchise
10 Agreement have been unsuccessful because the County has not timely responded to the Company’s
11 attempts to finalize that agreement. Although the Company believes that the Franchise Agreement
12 will be executed in the near future, the Company is concerned that additional County requirements
13 may delay execution of the agreement beyond January 6, 2014.

14 6. The Company also states that an ATC has not been issued for the Windward
15 Development because the housing market has been slow to recover from the economic downturn that
16 began in 2007. According to the Company, the developer hopes to begin construction of new homes
17 by January of 2016.

18 7. On January 27, 2014, Staff filed a Memorandum in which it states that it does not
19 object to the deadline extensions, and recommends that the Commission extend the deadlines for
20 filing the ATC and the Franchise Agreement until January 6, 2016. Staff further recommends that no
21 additional extensions of time be granted for the Franchise Agreement filing requirement.

22 8. Under the circumstances, the requested extensions are reasonable. It appears that an
23 intent to develop the area remains, but that the timing of such development is uncertain due to
24 continued instability in the economy. It also appears that RRUI is attempting to secure the Franchise
25 Agreement in good faith. No entity’s interest would be harmed by the requested extensions.

26 ...
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28 ...

CONCLUSIONS OF LAW

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2 1. RRUI is a public service corporation within the meaning of Article XV of the Arizona
3 Constitution and A.R.S. §§ 40-281 and 40-282.

4 2. The Commission has jurisdiction over RRUI and the subject matter of the Motion.

5 3. The extensions of time to comply with the requirements of Decision No. 72732, as
6 discussed herein, are fair and reasonable and in the public interest.

7 **ORDER**

8 IT IS THEREFORE ORDERED that the deadlines for Rio Rico Utilities, Inc. d/b/a Liberty
9 Water to file the Approval to Construct and the amended Santa Cruz County Franchise Agreement, as
10 required by Decision No. 72732, are extended until January 6, 2016.

11 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

12 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

13
14
15 CHAIRMAN _____ COMMISSIONER

16
17 COMMISSIONER _____ COMMISSIONER _____ COMMISSIONER

18
19 IN WITNESS WHEREOF, I, JODI JERICH, Executive
20 Director of the Arizona Corporation Commission, have
21 hereunto set my hand and caused the official seal of the
22 Commission to be affixed at the Capitol, in the City of Phoenix,
23 this _____ day of _____ 2014.

24 _____
25 JODI JERICH
26 EXECUTIVE DIRECTOR

27 DISSENT _____

28 DISSENT _____
SMH:ru

1 SERVICE LIST FOR: RIO RICO UTILITIES, INC. DBA LIBERTY WATER

2 DOCKET NO.: WS-02676A-11-0134

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