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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, CHAIRMAN
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

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AZ CORP COMMISSION
DOCKET CONTROL
2014 APR 7 PM 3 53

IN THE MATTER OF THE JOINT APPLICATION OF: (1) FRANCISCO GRANDE UTILITY COMPANY, AN ARIZONA CORPORATION, TO TRANSFER A PORTION OF ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY TO ARIZONA WATER COMPANY, AN ARIZONA CORPORATION; AND (2) ARIZONA WATER COMPANY, AN ARIZONA CORPORATION, TO INCLUDE CERTIFICATED AREA TO BE TRANSFERRED BY FRANCISCO GRANDE UTILITY COMPANY IN ARIZONA WATER COMPANY'S CASA GRANDE CERTIFICATE OF CONVENIENCE AND NECESSITY

DOCKET NO. W-01445A-05-0700
DOCKET NO. WS-01775A-05-0700

REQUEST FOR ADDITIONAL TIME FOR COMPLIANCE FILING

Arizona Corporation Commission

DOCKETED

APR 07 2014

DOCKETED BY

Decision No. 68654, which was entered in this docket on April 12, 2006 (the "Decision"), directed Arizona Water Company (the "Company"), the applicant in this docket, to file certain items as a compliance filing within certain time frames provided in the Decision. A factual background/compliance timeline is as follows:

1. The Decision approved a joint application of the Company and Francisco Grande Utility Company ("Francisco Grande") to transfer the areas described in Attachment 1 to the Decision from Francisco Grande's domestic water Certificate of Convenience and Necessity ("CCN") to the Company and to include the same areas in the Company's CCN. The Company was required to file copies of the developers' Certificate of Assured Water Supply ("CAWS") where applicable or when required by statute, a copy of the Arizona Department of Environmental Quality's Approval to Construct ("ATC") facilities to serve the transfer areas, and a notice of filing that the Company has submitted for Staff's review and approval a fully executed main extension

1 agreement ("MXA") for water facilities for the transfer areas within two years of the effective date
2 of the Decision.

3 2. On May 3, 2010, the Commission entered Decision No. 71688, extending to April 12,
4 2012, the deadline for the Company to comply with the foregoing conditions of Decision.

5 3. On October 4, 2012, the Commission entered Decision No. 73517, extending to April
6 12, 2014, the deadline for the Company to comply with the foregoing conditions of Decision.

7 The Company is now requesting an extension of the current compliance deadline to April 12, 2016.

8 In support of its request, the Company respectfully represents as follows:

9 1. A map of the extension area is attached hereto as Attachment 1.

10 2. The deep recession and real estate crash over the past several years (essentially the
11 entire time that the Decision has been in effect) are extraordinary circumstances which have not been
12 seen since the Great Depression. The severe economic downturn that has battered the Arizona real
13 estate market persists, and continues to delay the development of residential and mixed-use
14 development in Arizona, including Pinal County. Therefore, although the Company expects to serve
15 customers in the expansion areas within the next few years, no one, including housing experts and
16 economists, can say for sure when the real estate market will see a recovery of any significance.

17 The Commission Staff itself observed, in evaluating a developer's request for
18 additional compliance time in another case (*See* Decision No. 71861, docketed September 1, 2010,
19 Finding of Fact No. 14, page 3), that "...the downturn in the economy has put a damper on much of
20 the development in this state".

21 3. Additionally, absent an extension, the owners of the subject parcels will not be able to
22 apply for a CAWS if the Company's CCN is deleted because the Arizona Department of Water
23 Resources places a condition on any application for a CAWS that it be located in a CCN or have an
24 application for a CCN pending at the time of such CAWS application.

25 ...

1 4. Attachment 2 is a letter from one of the property owners or property owner
2 representatives, representing a substantial amount of the real property located in the expansion area.
3 The letter documents the property owners' continuing need for and request for water service from the
4 Company to be able to develop their property in the expansion areas. The property owner letter
5 confirms the owners' plans to develop their property in reliance upon water service they plan to
6 obtain under the Company's CCN. The continued existence of that CCN will support the slowly
7 improving development market that has experienced historic difficulty, as described above, and the
8 withdrawal of the CCN would be detrimental to that recovery.

9 The Company requested a letter as described above from all property owners or
10 property owner's representatives for each parcel of real property located in the expansion area. No
11 property owner or property owner's representative has refused to sign the letter.

12 CONCLUSION

13 The Company believes, and therefore respectfully submits, that the foregoing provides
14 sufficient support for its request for additional compliance time and that it confirms that
15 extraordinary circumstances exist to justify its request. Therefore, the Company submits that to date
16 it has complied as best it can with the ATC and CAWS requirements, as detailed above. The
17 Company therefore respectfully requests that the Commission enter an order:

- 18 a. Extending all compliance deadlines to April 12, 2016.
- 19 b. Providing any further relief that it deems appropriate under the circumstances of this

20 case.

21 ...

22 ...

23 ...

24 ...

25 ...

1 RESPECTFULLY SUBMITTED this 7th day of April, 2014.

2 ARIZONA WATER COMPANY

3
4 By: 
5 E. Robert Spear (No. 025772)
6 General Counsel
7 ARIZONA WATER COMPANY
8 3805 North Black Canyon Highway
9 Phoenix, AZ 85015
10 Phone: 602-240-6860

11 ORIGINAL and thirteen (13) copies of the foregoing filed this 7th day of April, 2014, with:

12 Docketing Supervisor
13 Docket Control Division
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17 COPY of the foregoing was delivered this 7th day of April, 2014, to:

18 Honorable Lyn Farmer
19 Chief Administrative Law Judge
20 Hearing Division
21 Arizona Corporation Commission
22 1200 West Washington Street
23 Phoenix, Arizona 85007

24 Janice Alward, Chief Counsel
25 Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

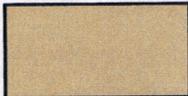
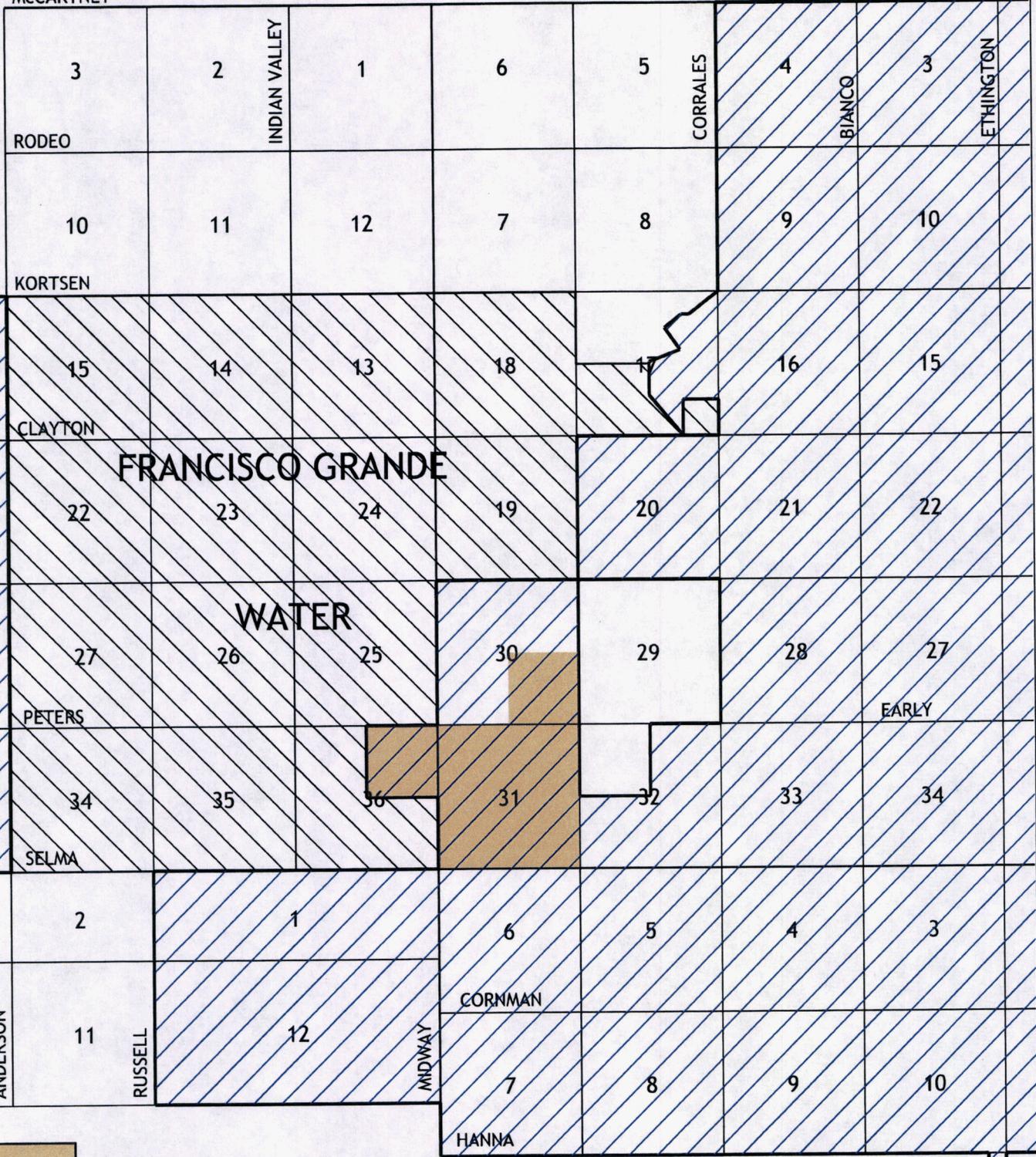
Steven M. Olea, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ronald Burks
2151 East Main Street, Suite A
Sarasota, FL 34237

By: 

ATTACHMENT 1

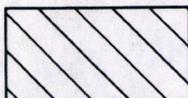
MCCARTNEY



Area Granted per ACC Decision No. 68654



A Portion of Arizona Water Company Present CC&N



Francisco Grande Present Water CC&N

ARIZONA WATER COMPANY

VICINITY MAP

Location: SE4 Section 30, Section 31 - Township 6 South, Range 5 East, G.S.R.B.&M.
NE4 Section 36, Township 6 South, Range 4 East, G.S.R.B.&M.

Project: Arizona Corporation Commission Decision No. 68654

Date: 11.10.2009

Scale: 1" = 1 Mile

Drawn By: CB

Victor M. & Maria I. Soto
1268 S. Remington Cir.
Chandler, AZ 85249

March 18, 2014

E. Robert Spear
Arizona Water Company
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Dear Mr. Spear:

We are following up with you regarding Pinal County Assessor's Parcel Number(s) 503-01-050E, which we own.

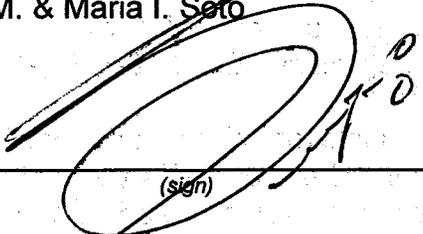
Although plans for development have been delayed by the severe recession that is still adversely affecting the Pinal County real estate market, we still need and desire to receive water service from Arizona Water Company to serve this property.

Our current plans include development within the earliest possible time, considering current market conditions, perhaps within the next 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,

Victor M. & Maria I. Soto

By: 
(sign)

Name: Victor M. Soto
(print name)

Its: Owner
(print title)

By: Maria I. Soto
(sign)

Name: Maria I. Soto
(print name)

Its: _____
(print title)

