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BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

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

2014 APR 11 P 3: 21

Arizona Corporation Commission

DOCKETED

AZ CORP COMMISSION
DOCKET CONTROL

APR 11 2014

ORIGINAL

DOCKETED BY	
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IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN
ARIZONA CORPORATION TO EXTEND ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY AT CASA GRANDE, PINAL
COUNTY, ARIZONA

DOCKET NO. W-01445A-07-0291

**APPLICATION FOR ADDITIONAL TIME
FOR COMPLIANCE FILING**

On June 13, 2008, the Commission entered Decision No. 70379 in this docket (the "Decision"). The Decision directed Arizona Water Company (the "Company") to file certain items as a compliance filing within certain time frames. The Company respectfully requests that this Commission extend the time for filing the compliance items as set forth below.

I. FACTUAL BACKGROUND.

1. The Decision approved an extension of the Company's Certificate of Convenience and Necessity ("CCN") for parcels 1, 2, 4, and 5, identified in the original filing and by the map in Attachment 1. The Decision also required the Company to file copies of the Certificate of Assured Water Supply ("CAWS") and Main Extension Agreement for those parcels and copies of the Arizona Department of Environmental Quality's Approval to Construct ("ATC") for facilities needed to serve Phase I within each of the four parcels within two years of the effective date of Decision No. 70379.

2. On May 3, 2010, the Commission entered Decision No. 71687 extending the deadline for the Company to file the compliance items listed in Decision No. 70379 to June 13, 2012.

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...

1 3. On March 21, 2012, the Commission entered Decision No. 73777 extending the
2 deadline for the Company to file the compliance items listed in Decision No. 70379 to June 13,
3 2014.

4 **II. SUPPORTING ARGUMENTS.**

5 The Company now requests an extension of the current compliance deadline to June 13,
6 2016. In support of its request, the Company respectfully represents as follows:

7 1. The Company has previously submitted to this Commission ATCs for each of parcels
8 1, 2, 4, and 5. Copies of these documents are attached hereto for the Commission's reference as
9 Attachment 2.

10 2. The Company has also previously submitted in this docket Main Extension
11 Agreements for each of parcels 1, 2, 4, and 5.

12 3. Thus, the Company has submitted each of the compliance items within its control.

13 4. The deep recession and real estate crash over the past several years (essentially the
14 entire time that Decision No. 70379 has been in effect) are extraordinary circumstances which have
15 not been seen since the Great Depression. The severe economic downturn that has battered the
16 Arizona real estate market persists and continues to delay the development of residential and mixed-
17 use development in Arizona, including in Pinal County. Therefore, even though the Company
18 expects to serve customers in the expansion areas within the next few years (*See* paragraph 5,
19 below), no one, including housing experts and economists, can say for sure when the real estate
20 market will see a recovery of any significance.

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

25 ...

1 6. Additionally, absent an extension, the owners of the subject parcels will not be able to
2 apply for a CAWS because the Arizona Department of Water Resources places a condition on any
3 CAWS application that it be located in an area that is within a CCN or that is subject to a pending
4 CCN.

5 7. a. The Company has requested, in writing, a letter from each property owner or
6 property owner's representative for each parcel of real property located in the expansion area. The
7 Company has received letters from three of the four property owners or representatives, attached
8 hereto as Attachment 3. The Company expects to receive a written response from the sole remaining
9 property owner in the near future. The Company will supplement this Application when it receives
10 this response. No property owner or property owner's representative has refused to sign the letter.

11 b. Attachment 3 contains the three letters from property owners, who own a
12 substantial amount of the real property located in the expansion area. The letters document the
13 property owners' continuing need for and request for water service from the Company to be able to
14 develop their property in the expansion area. The property owner letters confirm the owners' plans
15 to develop their property in reliance upon water service they plan to obtain under the Company's
16 CCN. The continued existence of that CCN will support the slowly improving development market
17 that has experienced historic difficulty, as detailed above, and the withdrawal of the CCN will be
18 detrimental to that recovery

19 **III. CONCLUSION.**

20 The Company submits that the foregoing provides sufficient support for its request for
21 additional compliance time and that it confirms that extraordinary circumstances exist to justify its
22 request. Therefore, the Company respectfully requests that the Commission enter an order:

23 1. Extending the compliance deadline to June 13, 2016, under Decision No. 70379 for
24 filing the remaining compliance items.

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2. Providing any further relief that it deems appropriate under the circumstances of this case.

RESPECTFULLY SUBMITTED this 11th day of April, 2014.

ARIZONA WATER COMPANY

By: 
E. Robert Spear (No. 025772)
General Counsel
ARIZONA WATER COMPANY
3805 North Black Canyon Highway
Phoenix, AZ 85015
Phone: 602-240-6860

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

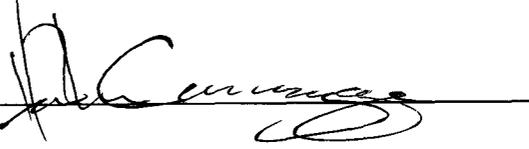
Docketing Supervisor
Docket Control Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

COPIES of the foregoing were delivered this 11th day of April, 2014, to:

Honorable Lyn Farmer
Chief Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

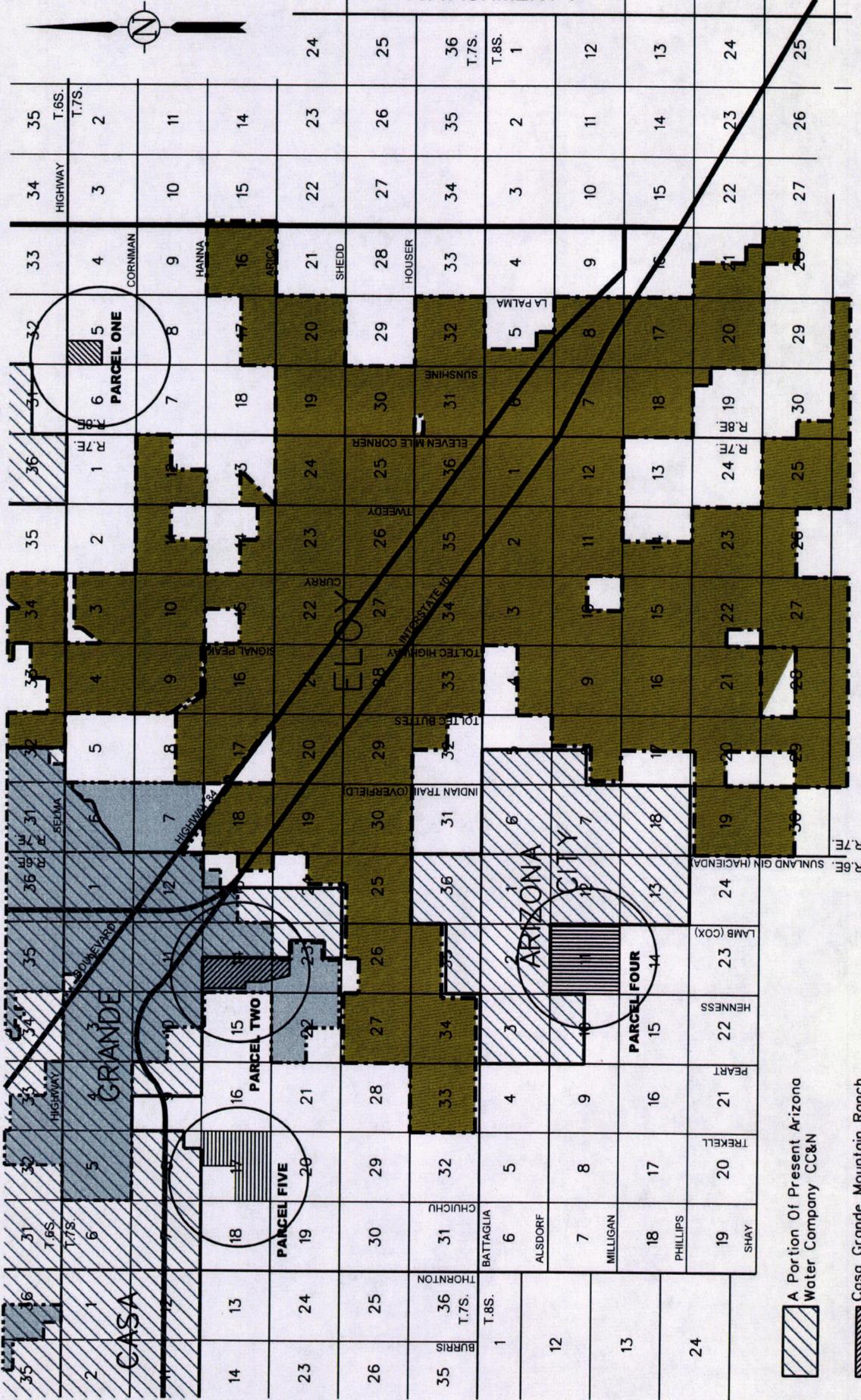
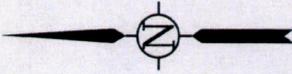
Janice Alward, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

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

By: 

Attachment 1

ATTACHMENT 1



ARIZONA WATER COMPANY

DESCRIPTION:
CC&N Application to Include Portions in T.7S.,R.8E. T.7S.,R.6E.
And T.8S.,R.7E. Of The G.S.R.B.&M. Pinal County, Az.

LOCATION:
CASA GRANDE

DATE: 05.21.2007 SCALE: 1" = 2 Miles DRAWN BY: CB

A Portion Of The Casa Grande City Limits

A Portion Of Eloy City Limits

Avra Plantation (640 Acres) Parcel Four

Haugen Development (480 Acres) Parcel Five

A Portion Of Present Arizona Water Company CC&N

Casa Grande Mountain Ranch (305.63 Acres) Parcel Two

Shreeve 110 (110 Acres) Parcel One

Attachment 2



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF APPROVAL TO CONSTRUCT
WATER FACILITIES

Page 1 Of 2

ADEQ File No: 20100021	LTF No: 51892
System Name: Az Water Co	System Number: 11-009
Project Owner: Arizona Water Co	
Address: P O Box 29006, Phoenix, AZ 85038	
Project Location: Casa Grande	County: Pinal
Description: CONSTRUCT APPROX. 2,600 L.F OF 12-INCH D.I.P AND RELATED FITTINGS ALONG ARICA ROAD TO SERVE PARCELS 511-36-001B AND 511-19-006B-F.	

Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 5 continued on page 2 through 2

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional Office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin. Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by: FKK

By: Janak K. Desai 2/3/2010
Janak K. Desai, P.E. Unit Manager Date
Engineering Review Section
Water Quality Division

cc: File No: 20100021
Regional Office: Central
Owner: Arizona Water Co
County Health Department: Pinal
Engineer: Arizona Water Company
Planning and Zoning/Az Corp. Commission
Engineering Review Database - Etr021

**APPROVAL TO CONSTRUCT
ARICA ROAD MAIN EXTENSION
ADEQ FILE No. 20100021
PAGE 2 OF 2: PROVISIONS CONTINUED**

5. The Arizona Department of Environmental Quality's review of this application was subject to the requirements of the licensing time frames ("LTF") statute under Arizona Revised Statutes ("A.R.S.") § 41-1072 through § 41-1079 and the LTF rules under Arizona Administrative Code ("A.A.C.") R18-1-501 through R18-1-525. This Notice is being issued within the overall time frame for your application.

ADEQ hereby approves your application for Approval to Construct Water Facilities under A.R.S. § 49-351. Your copy is enclosed.

This decision is an appealable agency action under A.R.S. § 41-1092. You have a right to request a hearing and file an appeal under A.R.S. § 41-1092.03(B). You must file a written Request for Hearing or Notice of Appeal within **30 days** of your receipt of this Notice. A Request for Hearing or Notice of Appeal is filed when it is received by ADEQ's Hearing Administrator as follows:

Judith Fought, Hearing Administrator
Office of Administrative Counsel
Arizona Department of Environmental Quality
1110 W. Washington Street
Phoenix, AZ 85007

The Request for Hearing or Notice of Appeal shall identify the party, the party's address, the agency and the action being appealed and shall contain a concise statement of the reasons for the appeal. Upon proper filing of a Request for Hearing or Notice of Appeal, ADEQ will serve a Notice of Hearing on all parties to the appeal. If you file a timely Request for Hearing or Notice of Appeal you have a right to request an informal settlement conference with ADEQ under A.R.S. § 41-1092.06. This request must be made in writing no later than **20 days** before a scheduled hearing and must be filed with the Hearing Administrator at the above address.

Please contact Fauzia Karim Koly at 602-771-4650 if you have questions regarding this Notice or the Certificate of Approval to Construct.



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF APPROVAL TO CONSTRUCT
WATER FACILITIES**

Page 1 Of 2

ADEQ File No: 20120062	LTF No: 55745
System Name: Pinal Valley	System Number: 11-009
Project Owner: Arizona Water Company	
Address: P O Box 29006, Phoenix, AZ 85038	
Project Location: Casa Grande	County: Pinal
Description: ARIZONA WATER COMPANY-PINAL VALLEY WATER SYSTEM AVRA PLANTATION PHASE I. ATC PERMIT FOR 2,560 LF OF 12-INCH CLASS 350 DIP WATERLINE AND RELATED FITTINGS. TO SERVE AVRA PLANTATION DEVELOPMENT APN 511-44-090.	

Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 5 continued on page 2 through 2

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional Office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin. Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by: FMS

By: Janak K. Desai 5/2/2012
 Janak K. Desai, P.E. Unit Manager Date
 Engineering Review Section
 Water Quality Division

cc: File No: 20120062
 Regional Office: Central
 Owner: Arizona Water Company
 County Health Department: Pinal
 Engineer: Arizona Water Company
 Planning and Zoning/Az Corp. Commission
 Engineering Review Database - Etr021

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 MAY 7 2012

**ARIZONA WATER COMPANY
 PHOENIX - ENGINEERING**

**APPROVAL TO CONSTRUCT
POTABLE WATERLINE
ADEQ FILE No. 20120062
PAGE 2 OF 2: PROVISIONS CONTINUED**

5. The Arizona Department of Environmental Quality's review of this application was subject to the requirements of the licensing time frames ("LTF") statute under Arizona Revised Statutes ("A.R.S.") § 41-1072 through § 41-1079 and the LTF rules under Arizona Administrative Code ("A.A.C.") R18-1-501 through R18-1-525. This Notice is being issued within the overall time frame for your application.

ADEQ hereby approves your application for Approve to Construct Drinking Water Facilities under A.R.S. § 49-351. Your copy is enclosed.

This decision is an appealable agency action under A.R.S. § 41-1092. You have a right to request a hearing and file an appeal under A.R.S. § 41-1092.03(B). You must file a written Request for Hearing or Notice of Appeal within **30 days** of your receipt of this Notice. A Request for Hearing or Notice of Appeal is filed when it is received by ADEQ's Hearing Administrator as follows:

Office of Administrative Counsel
Arizona Department of Environmental Quality
1110 W. Washington Street
Phoenix, AZ 85007

The Request for Hearing or Notice of Appeal shall identify the party, the party's address, the agency and the action being appealed and shall contain a concise statement of the reasons for the appeal. Upon proper filing of a Request for Hearing or Notice of Appeal, ADEQ will serve a Notice of Hearing on all parties to the appeal. If you file a timely Request for Hearing or Notice of Appeal you have a right to request an informal settlement conference with ADEQ under A.R.S. § 41-1092.06. This request must be made in writing no later than **20 days** before a scheduled hearing and must be filed with the Hearing Administrator at the above address.

Please contact Frank M. Smaila at (602) 771-4237 or fms@azdeq.gov if you have questions regarding this Notice or the Certificate of Approved to Construct.



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
 CERTIFICATE OF APPROVAL TO CONSTRUCT
 WATER FACILITIES**

ADEQ File No: 20120117	LTF No: 56180
System Name: Pinal Valley	System Number: 11-009
Project Owner: Arizona Water Company	
Address: P O Box 29006, Phoenix, AZ 85038	
Project Location: Casa Grande	County: Pinal
Description: INSTALLATION OF 540 LINEAR-FEET OF 12-INCH DIP ALONG CHUICHU ROAD, 2,700 LINEAR-FEET OF 16-INCH DIP ALONG HANNA ROAD, AND RELATED APPURTENANCES TO SERVE THE HAUGEN DEVELOPMENT.	

Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 1 continued on page 1 through 1

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional Office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin. Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by: RDR

By: Janak K. Desai 6/13/2012
 Janak K. Desai, P.E. Unit Manager Date
 Engineering Review Section
 Water Quality Division

cc: File No: 20120117
 Regional Office: Central
 Owner: Arizona Water Company
 County Health Department: Pinal
 Engineer: Arizona Water Company
 Planning and Zoning/Az Corp. Commission
 Engineering Review Database - Etr021



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
 CERTIFICATE OF APPROVAL TO CONSTRUCT
 WATER FACILITIES**

ADEQ File No: 20120145	LTF No: 56391
System Name: Pinal Valley	System Number: 11-009
Project Owner: Az Water Company	
Address: P O Box 29006, Phoenix, AZ 85038	
Project Location: Casa Grande	County: Pinal
Description: INSTALLATION OF APPROXIMATELY 8,293 LINEAR-FEET OF 12-INCH DIP WATER MAIN ALONG ELEVEN MILE CORNER AND SELMA HIGHWAY.	

Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 1 continued on page 1 through 1

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional Office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin.Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by: RDR

By: Janak K. Desai 8/8/2012
 Janak K. Desai, P.E. Unit Manager Date
 Engineering Review Section
 Water Quality Division

cc: File No : 20120145
 Regional Office: Central
 Owner: Az Water Company
 County Health Department: Pinal
 Engineer: Arizona Water Company
 Planning and Zoning/Az Corp. Commission
 Engineering Review Database - Etr021

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AUG 15 2012

ARIZONA WATER COMPANY
 PHOENIX - ENGINEERING

Attachment 3



Mr. George Chasse
Casa Grande Mountain Ranch, Limited Partnership
5740 Via Los Ranchos
Paradise Valley, AZ 85253

March 20, 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) 511-19-006B, 006C, 006D, 006E, 006G, and 006H, 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,

By: George J. Chasse, General Partner
(sign)

Name: George J. Chasse
(print name)

Its: General Partner
(print title)

**480 Casa Grande - Equestrian LLC
c/o Haugen Vern
9701 E. Happy Valley Road, Unit 19
Scottsdale, AZ 85255**

March 20, 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 Numbers 511-19-007E, 007F, and 007G 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.

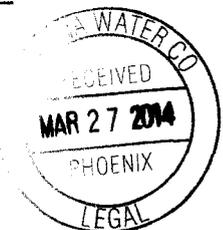
If you have any questions, please feel free to contact us.

Sincerely,

By: 
(sign)

Name: VERN HAUGEN
(print name)

Its: MANAGING MEMBER
(print title)



Avra Plantation, Inc.

~~2305 W. Ruthrauff Road~~
P O BOX 2305
~~Tucson, AZ 85705~~
CORTARO, AZ. 85652

March 20, 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 511-44-0900, 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,

By: 
(sign)

Name: JOHN KAI, JR.
(print name)

Its: MANAGING MEMBER
(print title)

