

OPEN MEETING ITEM



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



ARIZONA CORPORATION COMMISSION

RECEIVED

DATE: APRIL 24, 2014

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DOCKET NO.: WS-20432A-05-0874

AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

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:

WILLOW SPRINGS UTILITIES, LLC
(ORDER EXTENDING TIME DEADLINE IN DECISION NOS. 68963, 70647 AND 72011)

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:

MAY 5, 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:

MAY 13, 2014 and MAY 14, 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

APR 24 2014

DOCKETED BY

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
 WILLOW SPRINGS UTILITIES, LLC FOR A
 CERTIFICATE OF CONVENIENCE AND
 NECESSITY TO PROVIDE WATER AND
 WASTEWATER SERVICE IN PINAL COUNTY,
 ARIZONA

DOCKET NO. WS-20432A-05-0874
 DECISION NO. _____

**ORDER EXTENDING TIME
 DEADLINE CONTAINED IN
 DECISION NOS. 68963, 70647,
 AND 72011**

Open Meeting
 May 13 and 14, 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. 68963 (September 21, 2006), the Commission approved the application of Willow Springs Utilities, LLC ("Company") for a Certificate of Convenience and Necessity ("CC&N") to provide public water and wastewater utility service to a master-planned community called Willow Springs, located 30 miles north of Tucson, Arizona.
2. As part of Decision No. 68963, the Company was ordered to file, no later than December 30, 2008, a copy of the Certificate of Approval of Construction ("AOC") issued by the Arizona Department of Environmental Quality ("ADEQ") for the Company's Phase I water source/treatment and distribution system.
3. Decision No. 70647 (December 17, 2008) subsequently extended the deadline to file the AOC until December 31, 2011, and Decision No. 72011 (December 10, 2010) further extended

1 the due date until December 31, 2013.

2 4. On December 26, 2013, the Company filed a Motion for Further Extension of
3 Compliance Filing Date Deadline ("Motion") requesting that the deadline for filing the AOC be
4 extended for three additional years, from December 31, 2013 to December 31, 2016.

5 5. In its Motion, the Company states that the timeline for commencing development of
6 Phase I has become "substantially and adversely impacted by the financial crisis of 2008 and the
7 subsequent recession." In a letter appended to the Motion, the developer, Willow Springs Properties,
8 LLC, states that the marginal improvement in the overall economy and the housing market has not
9 been significant enough to allow the construction of Phase I to commence. The developer reports
10 that it has invested \$1.3 million in the Willow Springs project in order to enable the Company to be
11 in a position to provide water and wastewater service to that area. While the developer expresses
12 hope that the housing market will continue to improve to a level that will allow the project to come to
13 fruition in the near future, the developer states that there are no firm projections as to when this may
14 occur. Consequently, the Company requests a three year extension of time to file the AOC.

15 6. On April 1, 2014, the Commission's Utilities Division ("Staff") filed a Memorandum
16 in which it states that it does not object to the extension of the deadline, but recommends that a more
17 standard two year extension of time be granted. Staff further recommends that no additional
18 extensions of time be granted in this matter.

19 7. The delay in the development of Willow Springs is not atypical of other developments
20 in Arizona over the past few years. It appears that the developer remains committed to the Willow
21 Springs project and desires the Company to provide water and wastewater service to that area. Under
22 the circumstances, we believe that it is reasonable to grant a three year extension of time for the
23 Company to file the AOC.

24 CONCLUSIONS OF LAW

25 1. Willow Springs Utilities, LLC is a public service corporation within the meaning of
26 Article XV of the Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

27 2. The Commission has jurisdiction over Willow Springs Utilities, LLC and the subject
28 matter of the Motion.

1 SERVICE LIST FOR: WILLOW SPRINGS UTILITIES, LLC

2 DOCKET NO. WS-20432A-05-0874

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