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BEFORE THE ARIZONA CORPORATION C

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Arizona Corporation Commission

2014 JUN 30 P 4:36

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

DOCKETED

JUN 30 2014

AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF  
ARIZONA WATER COMPANY, AN ARIZONA  
CORPORATION, TO EXTEND CERTIFICATE  
OF CONVENIENCE AND NECESSITY FOR  
ITS SUPERSTITION SYSTEM, PINAL  
COUNTY, ARIZONA

DOCKET NO. W-01445A-05-0701

APPLICATION FOR ADDITIONAL TIME  
FOR COMPLIANCE FILING

On August 29, 2006, the Commission entered Decision No. 68919 in this docket (the "Decision"). 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. The factual background/compliance timeline is as follows:

1. The Decision approved an extension of the Company's Certificate of Convenience and Necessity ("CCN") and required the Company to file copies of Certificates of Assured Water Supply ("CAWS"), Approvals to Construct ("ATC"), and Main Extension Agreements ("MXA") for the extension area within two years of the entry of the Decision.

2. On October 4, 2012, the Commission entered Decision No. 73518, which extended the deadline for the Company to comply with the Decision to August 29, 2014.

3. On August 22, 2013, the Company filed in this docket a copy of the required ATC. The property owner has not yet obtained a CAWS, nor has the property owner yet requested an MXA from the Company.

The Company is now requesting an extension of the current compliance deadline to August 29, 2016. In support of its request, the Company respectfully represents as follows:

1           A.     The deep recession and real estate crash over the past several years (essentially the  
2 entire time that the Decision has been in effect) are extraordinary circumstances which have not been  
3 seen since the Great Depression. The severe economic downturn that has battered the Arizona real  
4 estate market persists and continues to delay the development of residential and mixed-use  
5 development in Arizona, including Pinal County, and no one, including housing experts and  
6 economists, can say for sure when the real estate market will see a recovery of any significance.

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

11           D.     Exhibit 1 is a letter from the property owner representing all of the real property  
12 located in the expansion area. The letter documents the property owner's continuing need and desire  
13 to obtain water service from the Company to be able to develop the property. The property owner's  
14 letter confirms the owner's plans to develop the property in reliance upon water service it plans to  
15 obtain under the Company's CCN. The continued existence of that CCN and the Company's  
16 continuing authority to provide public utility water service will support the slowly improving  
17 development market that has experienced historic difficulty, as detailed above, and the withdrawal of  
18 the CCN would be detrimental to that recovery.

19           E.     The property owner will not be able to apply for a CAWS if the Company's CCN is  
20 deleted because the Arizona Department of Water Resources places a condition on any application  
21 for CAWS that it be located in a CCN or have an application for a CCN pending at the time of the  
22 CAWS application.

23           F.     Also pursuant to a request from Commission Staff, please find attached as Exhibit 2  
24 a spreadsheet showing the compliance items the Company has completed, as well as those items  
25

1 that remain unfulfilled due to the economic downturn and slowdown in real property development  
2 in this State.

3 CONCLUSION

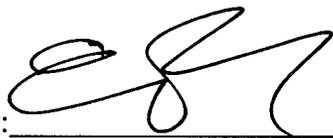
4 The Company believes, and therefore respectfully submits, that the foregoing provides  
5 sufficient support for its request for additional time and that it confirms that extraordinary  
6 circumstances exist and justify its request. Therefore, the Company respectfully requests that the  
7 Commission enter an order:

8 a. Extending the compliance deadline to August 29, 2016, under the Decision for the  
9 Company to file the remaining compliance items.

10 b. Providing any further relief that it deems appropriate under the circumstances of this  
11 case.

12 RESPECTFULLY SUBMITTED this 30th day of June, 2014.

13 ARIZONA WATER COMPANY

14  
15 By:   
16 E. Robert Spear (No. 025772)  
17 General Counsel  
18 ARIZONA WATER COMPANY  
19 3805 North Black Canyon Highway  
20 Phoenix, AZ 85015  
21 Phone: 602-240-6860  
22  
23  
24  
25

1 Original and thirteen (13) copies of the foregoing filed this 30th day of June, 2014, with:

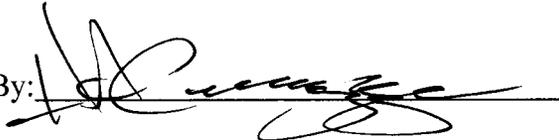
2 Docket Control Division  
Arizona Corporation Commission  
3 1200 West Washington Street  
Phoenix, Arizona 85007  
4

5 A copy of the foregoing was mailed this 30th day of June, 2014, to:

6 Honorable Lyn Farmer  
Chief Administrative Law Judge  
7 Hearing Division  
Arizona Corporation Commission  
8 1200 West Washington Street  
Phoenix, Arizona 85007  
9

10 Janice Alward, Chief Counsel  
Legal Division  
Arizona Corporation Commission  
11 1200 West Washington Street  
Phoenix, Arizona 85007  
12

13 Steven M. Olea, Director  
Utilities Division  
Arizona Corporation Commission  
14 1200 West Washington Street  
Phoenix, Arizona 85007  
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16 By: 

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April 14, 2014

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

Dear Mr. Spear:

Integrity Land & Cattle LLC is following up with you regarding Pinal County Assessor's Parcel No. 104-33-0010 which Integrity Land & Cattle LLC owns. Integrity Land & Cattle LLC still needs and desires to receive water service from Arizona Water Company to serve this parcel. Our timeframe for improving or developing this parcel is unknown at this time due to current market conditions. If you have any questions, please feel free to contact us at any time.

Sincerely,

INTEGRITY LAND & CATTLE LLC

BY:   
STERLING HUNDLEY

ITS: CONTROLLER



## EXHIBIT 2

### COMPLIANCE ITEM CHECKLIST

<i>Docket</i>	<i>Assessor No</i>	<i>Owner</i>	<i>Owner Support Letter Filed</i>	<i>ATC Filed</i>	<i>MXA Filed</i>	<i>CAWS Filed</i>
05-0701	104-33-001	Integrity Land and Cattle LLC	6/30/2014	8/22/2013		