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MEMORANDUM

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AZ CORPORATION
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TO: Docket Control Center

FROM: Steven M. Olea
Director
Utilities Division

EA for SMD

2014 AUG 14 PM 3 08

DATE: August 14, 2014

ORIGINAL

RE: WATER UTILITY OF GREATER TONOPAH, INC AND HASSAYAMPA UTILITY COMPANY, INC. - MOTION FOR EXTENSION OF COMPLIANCE FILING DATES DOCKET NOS. W-02450A-06-0626 AND SW-20422-06-0566

In Decision No. 70357, dated May 16, 2008, the Arizona Corporation Commission ("Commission") approved the consolidated application of Water Utility of Greater Tonopah, Inc. and Hassayampa Utility Company, Inc. ("WUGT", "HUC" or together, "the Global Utilities") for approval of an extension of their Certificates of Convenience and Necessity ("CC&N") for water and wastewater service.

As part of Decision No. 70357, the Commission ordered Global Utilities to provide the following compliance items relating to the application:

"... a copy of the Arizona Department of Water Resource's *Designation of Assured Water Supply* stating there is adequate water supply for the extension area described in Exhibit A or a *Certificate of Assured Water Supply* for the first subdivision, within two years of the effective date of this Decision."

"... a copy of the *Approval to Construct* issued by the Maricopa County Environmental Services Department for the sewer tie-in between Hassayampa Ranch Water Reclamation Facility Campus No. 1, and the initial phase of the development in the extension area by April 30, 2009."

"... a copy of the *Certificate of Approval of Construction* issued by the Maricopa County Environmental Services Department for the initial water plant facilities, including production, storage and water distribution system, needed to serve the initial phase of development in the extension area, within two years of the effective date of this Decision.

"... copies of the *Aquifer Protection Permit* and *Arizona Pollutant Discharge Elimination System* for the Hassayampa Ranch Water Reclamation Facility Campus No. 1, needed to serve the initial phase of development in the extension area by April 30, 2009."

"...a copy of the approval issued by the Arizona Department of Environmental Quality and Maricopa County for the *installation of purple pipe* for the initial phase of

the development in the extension area, within two years of the effective date of this Decision.”

The Commission originally ordered that these items would be due at different timeframes. In Decision No. 71430, dated December 8, 2009, the Commission subsequently ordered that all compliance deadlines in Decision No. 70357 be extended until December 31, 2012.

On December 31, 2012, the Global Utilities docketed an application for an extension of time seeking until December 15, 2015 for the provision of the above referenced filings (excluding the condition regarding the installation of purple pipe (“purple pipe”). The application indicated that several updated request for service letters (“service letters”) would be provided prospectively relating to the Copperleaf and Sierra Negra Ranch, LLC developments. On January 8, 2013, the Company docketed the required service letter for Copperleaf development.

On March 15, 2013, the Global Utilities docketed an amendment to the original motion for extension of time stating that it should have included a request to extend the due date on the purple pipe condition shown above. The application stated the due date for the purple pipe requirement was December 31, 2012 and requested that the item also be extended to the proposed December 15, 2015 date.

On February 7, 2014, the Company docketed a filing which included the required service letter for the Sierra Negra Ranch, LLC., confirming that it was the last service letter required for the docket. Finally, on June 15, 2014, the Company further amended the application for extension of time via e-mail and extended the proposed December 15, 2015 due dates to December 15, 2016.

The amended application provided the following information regarding the need for additional time to comply with the outlined compliance requirements:

“Development in the extension area in this case, and in the rest of Arizona, has been severely impacted by the current economic crisis. The economic crisis has caused a general delay in the development in the West Valley region, including the extension area granted in this docket.”

Based on all of the above, Staff does not object to the Global Utilities request for extension of time on the WUGT and HUC compliance requirements. However, Staff recommends that the Commission extend the due date for provision of the above items until December 31, 2016 rather than the amended December 15, 2016 due date which was proposed by the Company. Staff further recommends that no further extensions of time be granted in this docket.

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Staff obviously noted that the December 31, 2012 application for extension of time did not include all the ownership letters at the time of docketing. Additionally, the docket date of the extension request was the same day as the pending due date for the related compliance requirements. Staff therefore recommends that the Company be required to file requests for extension of time (if allowed to do so in the future) at least 90 days prior to the existing due date (in this or any other docket). Staff further recommends that applications for extension of time (in this or any other docket) should include 100 percent of the ownership letters when originally filed.

SMO:BKB:vsc

Originator: Brian K. Bozzo

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DOCKET NOS. W-02450A-06-0626, ET. AL.

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